FEDERAL EMERGENCY MANAGEMENT AGENCY'S RESPONSE TO NATURAL DISASTERS

(101-72)

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
INVESTIGATIONS AND OVERSIGHT

OF THE

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

MAY 1 AND 2, 1990

Printed for the use of the
Committee on Public Works and Transportation

U.S. GOVERNMENT PRINTING OFFICE
39-762 WASHINGTON : 1991

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

H641-38

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

GLENN M. ANDERSON, California, *Chairman*

ROBERT A. ROE, New Jersey
NORMAN Y. MINETA, California
JAMES L. OBERSTAR, Minnesota
HENRY J. NOWAK, New York
NICK JOE RAHALL II, West Virginia
DOUGLAS APPLEGATE, Ohio
RON de LUGO, Virgin Islands
GUS SAVAGE, Illinois
DOUGLAS H. BOSCO, California
ROBERT A. BORSKI, Pennsylvania
JOE KOLTER, Pennsylvania
TIM VALENTINE, North Carolina
WILLIAM O. LIPINSKI, Illinois
PETER J. VISCLOSKY, Indiana
JAMES A. TRAFICANT, Jr., Ohio
JOHN LEWIS, Georgia
PETER A. DeFAZIO, Oregon
DAVID E. SKAGGS, Colorado
JIMMY HAYES, Louisiana
BOB CLEMENT, Tennessee
LEWIS F. PAYNE, Virginia
JERRY F. COSTELLO, Illinois
FRANK PALLONE, Jr., New Jersey
BEN JONES, Georgia
MIKE PARKER, Mississippi
GREG LAUGHLIN, Texas
PETE GEREN, Texas
GEORGE E. SANGMEISTER, Illinois
GARY L. ACKERMAN, New York
CARL C. PERKINS, Kentucky

JOHN PAUL HAMMERSCHMIDT, Arkansas
BUD SHUSTER, Pennsylvania
ARLAN STANGELAND, Minnesota
WILLIAM F. CLINGER, Jr., Pennsylvania
BOB McEWEN, Ohio
THOMAS E. PETRI, Wisconsin
RON PACKARD, California
SHERWOOD BOEHLERT, New York
JIM LIGHTFOOT, Iowa
DENNIS HASTERT, Illinois
JAMES M. INHOFE, Oklahoma
CASS BALLENGER, North Carolina
FRED UPTON, Michigan
BILL EMERSON, Missouri
BILL GRANT, Florida
LARRY E. CRAIG, Idaho
JOHN J. DUNCAN, Jr., Tennessee
MEL HANCOCK, Missouri
CHRISTOPHER COX, California
SUSAN MOLINARI, New York

Subcommittee on Investigations and Oversight

GLENN M. ANDERSON, California, *Chairman*

ROBERT A. BORSKI, Pennsylvania
ROBERT A. ROE, New Jersey
NORMAN Y. MINETA, California
JAMES L. OBERSTAR, Minnesota
WILLIAM O. LIPINSKI, Illinois
PETER J. VISCLOSKY, Indiana
(Vacancy)
(Vacancy)
(Vacancy)
(Vacancy)
(Vacancy)
(Vacancy)
(Vacancy)
(Vacancy)

BOB McEWEN, Ohio
BUD SHUSTER, Pennsylvania
WILLIAM F. CLINGER, Jr., Pennsylvania
SHERWOOD BOEHLERT, New York
DENNIS HASTERT, Illinois
JAMES M. INHOFE, Oklahoma
FRED UPTON, Michigan
JOHN J. DUNCAN, Jr., Tennessee
(Vacancy)
JOHN PAUL HAMMERSCHMIDT, Arkansas (ex officio)

CONTENTS

Proceedings of: Page
May 1, 1990 1
May 2, 1990 127

MAY 1, 1990

TESTIMONY

Ballenger, Hon. Cass, a Representative in Congress from North Carolina 35
de Lugo, Hon. Ron, a Delegate in Congress from the Virgin Islands 17
Ols, John M., Jr., director, Housing and Community Development Issues, Resources, Community, and Economic Development Division, United States General Accounting Office, accompanied by Signora May, evaluator, Atlanta Regional Office; Thomas A. Repasch, Jr., senior evaluator, New York Regional Office; Don Porteous, senior evaluator, San Francisco Regional Office 89
Ravenel, Hon. Arthur, Jr., a Representative in Congress from South Carolina . 32
Riley, Hon. Joseph P., Jr., mayor, City of Charleston, South Carolina 51
Panetta, Hon. Leon E., a Representative in Congress from California 4

STATEMENTS SUBMITTED BY MEMBERS OF CONGRESS

Ballenger, Hon. Cass, a Representative in Congress from North Carolina 47
de Lugo, Hon. Ron, a Delegate in Congress from the Virgin Islands 25
Ravenel, Hon. Arthur, Jr., a Representative in Congress from South Carolina . 43
Panetta, Hon. Leon E., a Representative in Congress from California 12

STATEMENTS SUBMITTED BY WITNESSES

Ols, John M., Jr 102
Riley, Hon. Joseph P., Jr 123

MAY 2, 1990

TESTIMONY

Erickson, Maggie, supervisor, County of Ventura, CA, on behalf of the National Association of Counties 188
Flynn, John T., Berkeley County supervisor, Moncks Corner, SC 128
Fox, Gerald G., county manager, Mecklenburg County, Charlotte, NC 128
Keeley, Fred, supervisor, City of Santa Cruz, CA, and chairman, County Supervisor Association of California 188
McKinney, Stan M., director, Division of Public Safety Programs, Office of the Governor, Columbia, SC 128
Myers, Joseph F., director, Division of Emergency Management, State of North Carolina, Raleigh, NC 128
Peterson, Grant C., associate director, State and local programs and support, Federal Emergency Management Agency, accompanied by Gregg Chappell, assistant associate director, Office of Disaster Assistance Programs 164
Thompson, M. Earl, manager, Santa Clara County Office of Emergency Services, San Jose, CA 188

Page

Wolfe, Stitt M., operations officer, South Carolina Emergency Preparedness Division, Columbia, SC 128

Wynne, Charles F., chief of disaster assistance division, Office of Emergency Services, State of California 188

PREPARED STATEMENTS OF WITNESSES

Erickson, Maggie 221

Flynn, John T 228

Fox, Gerald G 264

Keeley Fred 271

McKinney, Stan M 280

Myers, Joseph F 286

Peterson, Grant C 292

Thompson, M. Earl 307

Wolfe, Stitt M 312

Wynne, Charles F 317

SUBMISSIONS FOR THE RECORD

Flynn, Johnnie T., Berkeley County supervisor, Moncks Corner, SC:

- Exhibits entitled:
  - Total assessed damage to Berkeley County 243
  - A Copy for the Windshield Damage Assessment provided by National Red Cross 245
  - Copy of a Washington Post article regarding FEMA's response in Berkeley County 246
  - Highlighted material from a publication discussing a resource material 249
  - Information from the Soil Conservation Service regarding their efforts to provide debris removal services 250
  - Mosquito article from local newspaper with correspondence from Governor's Office 258
  - Statement regarding SBA response from New Employee of County 262

Keeley, Fred, supervisor, city of Santa Cruz, and chairman, County Supervisor Association of California:

- Pamphlet concerning Loma Prieta Earthquake Unmet Needs Action Plan 321
  - Agency remaining vacant or unconfirmed 350

Peterson, Grant C., associate director, State and local programs and support, Federal Emergency Management Agency, responses to questions submitted by Representative Robert A. Roe 215

ADDITION TO THE RECORD

Agnos, Hon. Art, mayor of San Francisco, CA, letter 351

FEMA'S RESPONSE TO NATURAL DISASTERS

TUESDAY, MAY 1, 1990

House of Representatives,
Subcommittee on Investigation and Oversight,
Committee on Public Works and Transportation,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:02 a.m., in room 2167 Rayburn House Office Building, Hon. Glenn M. Anderson [chairman of the subcommittee] presiding.

Mr. Anderson. The subcommittee on Investigation and Oversight meets today to review the accomplishments of the Federal Emergency Management Agency (FEMA) in its role as provider and manager of the Federal Disaster Assistance Program. This past year has witnessed an inordinately high number of severe natural disasters, giving FEMA more than enough occasions recently to exercise its authority. Today is the first of a two-day inquiry into its role and performance.

In September 1989, Hurricane Hugo ravaged the Virgin Islands, Puerto Rico, and the Carolinas with winds up to 135 miles per hour, resulting in loss of human lives and a trail of shattered homes, businesses, fallen timber, broken water lines, massive power outages and mounds of debris. Less than a month later, an earthquake measuring 7.1 on the Richter Scale erupted without warning in Santa Cruz County in Northern California, causing more localized, but no less severe, damage to individuals and infrastructure in the area.

FEMA's resources were understandably stretched to the maximum, as were those of the States and localities devastated by these calamities. It is highly unusual for FEMA to be handling back to back disasters of the magnitude posed by these two incidents, and we hear generally that they did an admirable job. But we are here today to examine more closely exactly what worked and what didn't, as FEMA mobilized employees, supplies, transportation, information, shelter, funding, and the support of other agencies and organizations to the disaster relief effort.

Over the next two days, the subcommittee will seek answers to these questions. Was FEMA's response sufficient? Was it proactive in supplying needed information and resources to State and local officials and to disaster victims? What more would have been useful?

How well did FEMA coordinate the relief effort among various government agencies and non-profit agencies? And was the military used wisely?

Were FEMA's staffing needs adequate? How well did its system of using paid reservists work? And were the reservists well-trained for the jobs they were required to perform?

How timely, accurate, and fair were FEMA's assessments of damages and needs, and was relief swift and forthcoming?

We hope that these hearings will shed light on these and other important disaster issues.

In November 1988, Congress passed the Robert T. Stafford Disaster Relief and Emergency Assistance Act which broadened and strengthened the Federal Government's public and individual assistance programs. As the first major test of this legislation, the Loma Prieta Earthquake and Hurricane Hugo unfortunately provided State, local and Federal officials with experiences we hope to gain from today. We want to understand the strengths and weaknesses of this newly implemented disaster legislation.

And finally, we are concerned that FEMA continues to lack official leadership in the absence of a permanent director of the agency, an absence which has prevailed for almost a year now. Several other top agency positions also remain vacant, and we are concerned about the consequences of this void for FEMA's fulfillment of its mandate. We intend to query FEMA tomorrow afternoon about these issues.

Today we will hear from Congressman Ron de Lugo, a distinguished member of the Public Works Committee, whose territory of the Virgin Islands was ripped apart by Hurricane Hugo. We will also hear from Congressman Arthur Ravenel of the first district of South Carolina and Congressman Cass Ballenger of the 10th district of North Carolina, whose communities were also devastated by this storm. Congressman Leon Panetta will describe the problems encountered in his coastal district of California, split apart by the Loma Prieta Earthquake. Following the Members, we will hear from the distinguished mayor of Charleston, Mayor Joseph Riley, who was intimately involved in the response and recovery from Hurricane Hugo. And our final witness for the day will be the General Accounting Office, who has been investigating FEMA's disaster relief effort, and will testify on their preliminary findings to date. They have not yet completed their investigation or final report, but have agreed to testify on their interim findings.

At this time, the Chair recognizes our distinguished Ranking Republican Member from Ohio, Representative Bob McEwen.

Mr. McEwen. Thank you very much, Mr. Chairman. I thank you for directing the subcommittee's attention to the capabilities of the Federal Emergency Management Agency to respond effectively to emergencies and disasters.

The catastrophic events of Hurricane Hugo and the Loma Prieta earthquake last fall serve as grim reminders of how quickly devastation can strike. We need to know how prepared we are to cope with events of this magnitude.

FEMA was established on April 1, 1979 as a small agency with a large mission. Its role is to coordinate all emergency preparedness, civil defense, and disaster relief functions and its mandate is to supplement State and local assistance in times of presidentially declared disasters and emergencies.

In addition to providing public and individual financial assistance, FEMA is responsible for helping the States and localities to anticipate and to prepare for every type of potential disaster from tornadoes to nuclear accidents, and for training emergency managers throughout the country on how to mitigate the effects of such events. It's vital that all Americans know and have confidence that federal assistance is there when needed.

Mr. Chairman, I look forward to hearing from our colleagues especially, and other witnesses, today and tomorrow, in taking a fresh look at FEMA's capabilities and its future needs. I especially would like to welcome the chairman of the Budget Committee. It is my understanding that the budget resolution is on the floor this week. There is singularly no greater responsibility of any Member of Congress than the establishment of the Nation's budget during this week of the year. For him to take time out to be with us this morning is commendable—I really look forward to hearing him and appreciate his contribution, as well that of our good friend from South Carolina which, unfortunately, was impacted by the devastation of Hurricane Hugo.

Thank you very much, Mr. Chairman.

Mr. ANDERSON. Thank you, Mr. McEwen.

I'm also told that the Hon. Norman Mineta would like to make an opening statement at this time.

Mr. Mineta.

Mr. MINETA. Thank you very much, Mr. Chairman. I want to commend you for holding these hearings. I believe they are a very important series.

Mr. Chairman, in 1989, the lives of Americans on both sides of the Nation were changed forever by the forces of nature. The shores of the Eastern United States and the Caribbean Islands were rocked by the furious winds of Hurricane Hugo.

The Loma Prieta Earthquake struck Northern California including the 13th Congressional District which I represent. The sights I witnessed after that fateful quake will stay with me forever. I recall flying out to California the night of the earthquake with Secretary Skinner and flying into Moffit Naval Air Station and seeing the San Francisco Bay Area from the air at nighttime. Seeing San Francisco with no lights on, knowing that there is a great city down there is really a very, very eerie feeling. But the entire San Francisco Bay Area is still feeling the impact and will continue to feel it for many years to come.

I was shocked and saddened by the devastation of this natural disaster, but I was proud of the response by the citizens of the Bay Area. Now many questions need to be answered about the performance of the Federal Emergency Management Agency during and after these events. There were reports of confusion with bureaucratic red tape, constantly busy telephones, misinformation, and computer glitches which made it tougher for people to get the assistance they needed.

During these hearings, I believe that it is important to explore, among other things, the competence of the FEMA field office personnel and inspectors, the absence of uniform deadlines for temporary housing assistance, and reports of possible insensitivity by the agency towards individuals with special needs.

I'm grateful for the opportunity to carefully look at FEMA's response to recent natural disasters. I hope that these hearings will enable us to improve FEMA's responses to future disasters and reduce the human cost of such tragedies, whether that involves looking at the agency itself or the laws that govern its actions.

Thank you very much, Mr. Chairman.

Mr. **Anderson**. Thank you, Mr. Mineta.

We welcome our first panel which consists of Members of Congress whose districts were greatly affected by the destruction from Hurricane Hugo or the Loma Prieta earthquake.

[Witnesses sworn.]

Mr. **Anderson**. We are pleased to hear testimony from our first witness the Hon. Leon Panetta, who played a crucial role in the disaster relief effort following the Loma Prieta earthquake in California.

Mr. Panetta.

TESTIMONY OF HON. LEON E. PANETTA, A REPRESENTATIVE IN CONGRESS FROM CALIFORNIA

Mr. **Panetta**. Mr. Chairman, members of the Public Works Committee, first of all thank you, and my thanks to the other members of the committee for doing these oversight hearings. It's extremely important that we learn from the lessons of these disasters and that we try to improve the response of these disaster agencies to these kinds of terrible events that impact on our people. We make a commitment and pledge that we will do that and I think we have to live by that pledge.

I would like to summarize my statement and have my statement made as part of the record and briefly summarize if I might.

Mr. **Anderson**. Your statement will be made a part of the record as you have presented it to us in writing.

Mr. **Panetta**. Thank you, Mr. Chairman, and because of other responsibilities today, I'm going to keep my remarks brief, but I did want to make several key points which I have personally experienced as a result of a series of disasters in my area. Not only have we been impacted by floods in the past, by landslides, by high waves that came in from the oceans, but never before, obviously, by this serious of an earthquake. It was, obviously, a disastrous earthquake, particularly in the northern part of my district. I essentially lost the downtown area of Santa Cruz, CA, Watsonville, CA, and a good portion of Holister, CA, all of which had their downtown areas seriously impacted. That has very serious impacts on each of those communities.

In addition, we had about 600 homes that were totally destroyed and close to 2,000 that were seriously damaged. So it was a very severe impact as a result of this earthquake, and it demanded attention by the agencies that were involved.

Let me begin my comments by saying that there are some very good people who work for FEMA and who work for some of the other agencies that were responsible for assistance. I don't want to detract from the good work of those few people who were committed, dedicated, and wanted to do what was right in terms of helping the victims. There were those, and I appreciate their efforts. I want to make that clear.

There are, at the same time, continuing problems that I have witnessed time and time again every time we deal with these disasters. They are the same points and I'm going to make them again. The first is that every time there is a disaster in this country FEMA essentially has to recreate the wheel. There isn't a kind of ongoing effective mechanism that goes into place immediately. There is this long period of having to bring in personnel, having to bring in the agencies, and having to develop some kind of response mechanism. Very frankly, it's frustrating as hell.

FEMA is essentially what I would consider to be a second class agency. I don't know how better to say it. They don't have people in place. They've got to reach out to people that are retired, or ex-civil servants, bring them in—these are people who have very little loyalty to FEMA, they work for other agencies, perhaps they work for FEMA—they're brought in to essentially take a supervisorial role in implementing the program. They've got to relearn the programs and they've got to understand the changes.

No sooner are we dealing with the new people that have been brought in then they're suddenly gone because they're basically there for a few weeks. They say, "I'm out of retirement. I've come out of retirement to try to provide some help, but I'm gone in three or four weeks."

Very frankly, they have said that to me. When we have somebody there, finally in place, finally involved with the issues, then that person says, "I'll try to help you the best I can, but in three weeks I'm gone. I'm out of here because I'm going back to retirement." You cannot operate a disaster agency that has to be in place, has to provide assistance, and has to provide help on that kind of haphazard basis. That's a reality.

Right now FEMA does not have the kind of ongoing corps of people in place to provide assistance who are experienced, committed, dedicated, and loyal to their agency. You can't operate based on pulling people on some kind of temporary assignment and expect that they're going to be committed to trying to provide assistance.

Second, there is a tremendous lack of coordination between the agencies that are involved in disaster assistance. There are countless agencies involved. For those of you who have not gone through this process, let me tell you that you could fill up this room with the agencies that are involved in disaster assistance. It's not just FEMA; it's also all of the State agencies that are involved in disaster assistance; it's the SBA; it's Soil Conservation; it's Farmers Home Loan; it's the Corps of Engineers; it's the IRS; it's the transportation agencies that are involved, plus all the local agencies that have the responsibility of trying to deal with the problems in their areas.

The immediate problem that you have is that people don't know what agency to go to for what kind of help. There is a kind of game playing in which what happens is that FEMA will say to somebody, "Well, you have to go to SBA." That person then goes to SBA for help and SBA says, "I'm sorry. We can't help you. What you really need to do is to go to the State agency." They go to the State agency and the State agency says, "No, you really need to go back to FEMA." You start this kind of circle of frustration which is just incredible in terms of trying to help people.

All they care about is to show them where they have to go for assistance. Don't send them in this circle of frustration that is involved in trying to provide assistance.

It's not to detract from the agencies. The agencies are there and want to provide help, but the problem is that there is not a central coordinating system to say to people, "This is where you should go. By God, if you don't find help there come back to me, and I'll make sure that you get help."

We in our district, as a result of this frustration, have created and established task forces in which as soon as we have a disaster, what I do is to put every agency into a room so that none can blame the other and escape responsibility. When you put them all in a room, when there's a question from the people or question from the victims, I basically say, "What agency here is responsible for that?"

That task force has been very effective and I would recommend it, very frankly, as a vehicle to use in other areas where you have some kind of central task force which brings all of the agencies involved in disaster assistance into one room so that there isn't this game playing between the different agencies as to who has the authority to help people.

The DAC tries to do that. But when the DAC is established what happens is that people walk through that door and then face a myriad of agencies. Once the doors of that DAC are closed, they don't know where to go anymore. What happens is that Congressional offices have to basically carry the ball in terms of following up on all of these disaster applications. We are, very frankly—at the present time, in my local office, we have a whole area committed just to trying to deal with the disaster applications. I am performing the role of FEMA right now in trying to follow up on these disaster applications.

So centralized control, centralized authority—I'll tell you quite frankly, if FEMA can't do it then put the Army in charge. If we're going to start doing defense reductions, put the United States Army in charge because at the very least the United States Army is going to be there to provide shelters, tents, provide immediate assistance, and they're going to damn well follow up to make sure that people are helped.

The third thing that I want to mention, which is a particular point, is lack of sensitivity. I don't know what it takes to make agencies understand local problems. But you have to understand local problems if you're going to deliver assistance to people at the local level. Let me just give you a couple of examples of what we ran into.

We have a serious lack of housing. Glenn and Norm both know this. I had less than one percent vacancy rate in my area before the earthquake. We have a very serious housing problem because of the cost of housing, planning at the local level, and all of the factors that mean there is not a great deal of housing available. We lost eight percent of our housing stock as a result of the earthquake, so you can bet that we had very little housing available for people.

I went to FEMA and said, "We need mobile homes in our area to provide immediate shelters. I have parks that are full of tents, with people living in tents. Doesn't that tell you something? I need to have mobile homes here. I need to have some kind of shelter." FEMA said, "No, we think there is enough housing available. In North Carolina, we ran into the problem where we brought in mobile homes and they weren't used." I said, "This is not North Carolina. This is not the same situation. I don't have the housing available." But they said, "No, we don't want to take that step." So very frankly I had to go to the White House to ask for mobile homes in my area.

And to the credit of the White House, and to the credit of the pressure that came from them, we were able to get them. We now have 150 mobile homes and every one of them is filled. I have a backlog of families waiting to get into those mobile homes because we've had to put them into motels under a motel voucher system that we developed at the local level.

I shouldn't have to do that. I shouldn't have to beat down the walls of the White House in order to get them to respond.

Second, we have a lot of migrant families in my area. They don't speak English. I'm sorry, but that's a fact of life that migrant families work in agriculture. The problem is that all of the people that came there from the DAC from FEMA did not speak Spanish. All of the forms are not in Spanish. I told them, "We have a bilingual problem here. You have to have bilingual people available." They said, "Well, we'll try to deal with that."

It took literally months to get bilingual forms and bilingual people there. Eventually, to their credit, we had people in there who could deal with these victims. But it doesn't take a lot of brains to figure out that in a community that is largely agriculture you're going to have a bilingual problem. That needs to be responded to.

So better sensitivity to local problems is a particular need that has to be addressed.

So the basic point to you, Mr. Chairman, and to the members of the committee, if we're going to spend the funds for disaster assistance, if we're going to make a commitment to this country that we're going to help people that are in these types of disasters, then we're going to have to do better. This is no longer a situation where we're just dealing with or worrying about nuclear attacks.

This agency was created in the throes of fear over the cold war. To a large extent they still operate as if they're dealing with nuclear attacks rather than dealing with the kind of common disasters that we have day to day.

They've got to develop a corps of people that are loyal to an agency and ready to work. They've got to develop better coordination. They've also got to develop better sensitivity. I've said that time and time again. I make no new points in this testimony. But I want to urge this committee that unless we take action, we'll continue to breed frustration and anger in people that are already the victims of very terrible disasters.

Mr. **Anderson**. Thank you, Mr. Panetta. Leon, I have some questions that I would like to direct to you.

It's been suggested to me that we would hear from the whole panel and then direct our questions. Can you wait a little while for the others?

Mr. **Panetta**. I can for a few minutes. If it's going to be a while, I'm going to have to beckon out because I have——

Mr. **Anderson**. How soon do you have to leave?

Mr. **Panetta**. By about 10:35.

Mr. **Anderson**. Okay. I'm going to ask you my questions right now.

Mr. Panetta, what types of services was FEMA unwilling to provide without your intervention?

Mr. **Panetta**. The problem we had was that—particularly with regards to shelters and housing—as I mentioned, it was very difficult to get them to respond to the housing, the immediate housing needs in our area because I think, to some extent, there was a mentality that if they don't move, if they just hand the money out in some kind of housing assistance, that people might—if they can't find housing in our area, then they could move out and find housing someplace else. I think there was an attitude that as long as you hand them the cash, that's enough.

Very frankly, that's demeaning to people. People want to live in their home area; they have their kids going to school; they want to protect their roots; and it isn't enough just to hand them cash. They really needed to have the kind of shelters and homes, on a temporary basis, that would have given them that convenience.

That was the one area where I thought we had the most serious problem. I have to tell you that once we went to FEMA, once we went to the key people, it wasn't as if they weren't responsive. They were responsive. But why does it take that? Why do you have to wait for us to beat people over the head in order to respond to what are clearly needs for people in the community?

Mr. **Anderson**. Why was FEMA reluctant to use supplies from Fort Ord?

Mr. **Panetta**. That's a good question. Fort Ord was angry because Fort Ord kept telling me, "We're ready to move. We have shelters, tents, kitchens, power; we're ready to serve the community." They were anxious to do it. But there is this tendency that says, "Well, we don't want to have the military go in. We want to try to explore the private sector to make sure that possibly there's enough help available in the private sector." I can't tell you how many times I've pulled my hair out on that.

I remember once we were trying to get the Army to go in because waves were destroying homes along the coast. The Army was willing to go in and put sand bags up to protect homes. They finally did it on their own because of the frustration of having to go through the various State agencies to get their approval.

I just think that in those situations where you're talking about immediate assistance, the Federal Government could save a hell of a lot of money in the long run just by providing some immediate protection in the short run, if you know what I mean. In other words, the most immediate help to families could save us a lot of money in the long run.

I'm not quite sure I know why—well, I do know why Fort Ord wasn't called in. They weren't called in because FEMA basically feels that they shouldn't call the Army in. The State agency will make the argument that the State emergency services are the ones that are responsible, therefore they're the ones that have to make the decision. If they feel that the Army is necessary, then FEMA will approve the Army going in. But once that process exhausts itself, you've lost the need for the Army providing that immediate help.

Mr. McEwen. Are you saying that the Governor had to ask for the——

Mr. Panetta. That's correct. What they basically say is that it really is—that's part of this coordination problem in a disaster. If you go to FEMA and say, "I want the Army in," they will say to you, "You have to go to the State. You have to go to the State emergency director and talk to them."

So we go to the State and the State then says, "Well, we're trying to exhaust local supplies first before we move anything." And so the State will say, "Let's hold the brakes on" or "Let's hold on" or for some reason the State and FEMA will talk with each other and say, "Let's hold off for awhile."

I recognize the need to exhaust perhaps local facilities, but when people have their homes destroyed, they have no place to eat, and they have no place to stay, if we could provide immediate action in those situations I could tell you—listen, we'd have a million dollars worth of goodwill out there just by doing that because the first question I get from people is, "Why can't the Army help us? They're over there at Fort Ord. They have all these tents, all these facilities, and all this assistance. Why the hell can't we get some help?"

Mr. Anderson. If an SBA loan is rejected, does an applicant have to reapply to FEMA for a grant or is the applicant automatically sent to FEMA? Moreover, how do you think the application process could be expedited?

Mr. Panetta. I wish I knew how that system worked. The problem that I'm having is that people go to SBA and then SBA refuses the loan for some reason. You have to believe that people who are refused a loan at SBA are probably the neediest people because they either don't have the money to afford the payments, or they're the people who have absolutely no capital whatsoever, so they're considered a bad risk. Those are the people that need the most help.

Supposedly what happens in that situation is that the computer basically spits that out and refers it to the State agency for immediate assistance.

Mr. Anderson. So they have to reapply themselves to FEMA. Is that it?

Mr. Panetta. Well, FEMA tells us that is not the case, but, frankly, that is the case. We have found that people who have been refused by the SBA then come back to us and say, "Where do we go now?" We go back to FEMA; FEMA tells us that the computer should have sent them to the State Assistance Agency, we find out that they're not referred to the State Assistance Agency, so we have to, in fact, have people again reapply to the State Agency.

Mr. ANDERSON. Why did FEMA decide that mobile homes were not needed?

Mr. PANETTA. I really think it was the North Carolina experience. I think they really felt that they had moved the mobile homes into North Carolina, they weren't used, and therefore, they didn't want to create the same situation there. But again the basic problem I had was that, as I said, "We just simply do not have adequate housing."

I walked with a FEMA person to a park in Watsonville where we literally had about 50 or 60 tents full of families. I said, "Do you see this? This speaks for itself. These people have no place else to go. There aren't any homes. Do you want them to stay in tents for the next six or ten months?" We literally had people living in tents in my district until Christmas. Just before Christmas we were able to get them out of tents and shelters and into some kind of housing. But it took that long to get the message across.

Mr. ANDERSON. Mr. McEwen?

Mr. MCEWEN. Thank you very much for your testimony.

It's extremely frustrating to me. As I understand it, FEMA has these mobile homes available to them and no one is in them. So therefore if they bring them out there and no one gets in them, what's the worst. There's a possibility that somebody might need them. Why keep them behind a fence someplace? I really wouldn't be good at this. [Laughter.]

Thank you, Mr. Chairman.

Mr. ANDERSON. Mr. Mineta?

Mr. MINETA. Mr. Chairman, thank you very much.

Again, because of the earthquake, 60 percent of the town of Los Gatos was demolished, including the downtown area. That's why, in my opening statement, I was a little harsh on FEMA and its relief operation. But obviously, Mr. Congressman, you don't know what you're talking about. [Laughter.]

That's the kind of response you get from FEMA. Why can't you do this? Well, Mr. Congressman, you obviously don't realize that a hurricane is different from a tornado, which is different from an earthquake. So when you say, "Why can't there be some way when a disaster strikes to go into action on something?" And they'll say, "You can't because a hurricane is different from a tornado and an earthquake."

I don't know how many times I've heard that, yet 60 percent of the downtown is gone, people are living out in the parks, as you indicated, and you think, "This is an agency that could screw up a two-car parade." [Laughter.]

Secretary Skinner, and Mrs. Quayle and I flew into Moffit field at three in the morning, after leaving here at about 11:15 at night. The next morning we took a tour of the damaged area. After that tour with Vice President Quayle and the rest of us, we then went up to the mountain area and a highway patrolman showed me this house which slid down the hill. To this day we still don't have that case resolved.

As you say, people are pulled in from Boston and Chicago, everywhere, good people. The disaster occurred on the 17th and we set up the DAC on Sunday the 22nd. The cellular telephone from our office—our cellular telephone—was the only piece of communication that they had at that disaster assistance center.

I don't understand. I've gone through the same frustration that you're expressing and I don't know what it is that we're going to have to do to correct it, but there'll be another disaster, another hearing like this, a lot of frustrated Members of Congress, a lot of frustrated constituents, and we'll go through this same thing again.

But, again, Mr. Panetta, I just want to thank you for your role in all of this. As we were trying to put the Disaster Relief Program together, you, Chairman Anderson, Vic Fazio, and everyone pulled together. Looking at the highway side of it and the surface side of it, there was an immediate response—we had a bill passed and signed into law by the President by the following Thursday that I thought was really great.

The frustration is just enormous.

Mr. PANETTA. If I might, Norm—I want to obviously pay tribute to your efforts on transportation, but Caltrans, which is obviously the State Transportation Agency out there, was probably one of the more effective agencies in terms of responding to needs. For example we had a bridge—

Mr. MINETA. It's that bridge across that slough in Watsonville.

Mr. PANETTA. That's right. We had a bridge that fell into a slough. If we had to wait—there were concerns about the environmental impacts and this and that. Finally I said to Caltrans, "We need to get that bridge back in place. If you can replace the Bay Bridge, you can replace this bridge." They said, "Yes, we will." They went to work 24 hours a day and we were able to get that bridge replaced. It really is a credit to them. I would like to see other agencies act swiftly when they——

Mr. MINETA. Again, thank you very much, Leon, for your statement here.

Mr. ANDERSON. Mr. Hastert?

Mr. HASTERT. I have no questions, Mr. Chairman.

Mr. ANDERSON. Thank you very much, Mr. Panetta.

[Mr. Panetta's prepared statement follows:]

TESTIMONY OF THE HONORABLE LEON E. PANETTA
BEFORE THE SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT
REGARDING THE RESPONSE OF FEMA FOLLOWING THE LOMA PRIETA EARTHQUAKE

MAY 1, 1990

Mr. Chairman, thank you for holding these hearings and for allowing me to present some of my thoughts regarding the response of the Federal Emergency Management Agency (FEMA) following the Loma Prieta earthquake. Let me say that you provided great leadership during the initial period following the earthquake. I am very pleased that you have decided to address some of the deficiencies that we discovered during that time. While the changes that your Committee may make to FEMA probably will not help those who experienced damage from the Loma Prieta earthquake, these changes will ensure that the federal response to future disasters is improved.

One of the most important things I want to stress is that many of the FEMA workers who were sent to my district to provide assistance to individuals did perform a good job. However, I must emphasize that many FEMA officials seemed to take the situations facing my constituents very lightly. In many instances I felt that I had to exert great pressure on these officials to have them provide services that should have been provided without my intervention. This should not be the case. FEMA should have the capability to move into a disaster area and coordinate immediately with federal, state and local agencies and provide needed assistance. The system is not working correctly if a Member of Congress has to make a phone call to have assistance provided. The assistance should just come.

This leads me to one of the overall problems that we noticed following the earthquake. That is the length of time and the complexity of the decision making process at FEMA. I have had many years of experience with the Federal bureaucracy. I know that bureaucracy is by nature very slow to react. However, FEMA should not fall into the category of bureaucracies. It is vitally important that assistance be provided to victims of a disaster immediately. This means not in a week, but immediately.

In my district it took weeks and months before some of the needed assistance reached the victims. Many of my constituents asked me why Fort Ord, located in Monterey, could not provide some of the tents, blankets, generators and other necessary and vital supplies that were desperately needed. They were absolutely right. Fort Ord could have provided much needed supplies immediately, but because of the slow bureaucratic decision-making process at FEMA, no assistance was given.

I certainly understand the need for accountability for federal funds, but I believe that FEMA should be organized so that during the time immediately following a disaster assistance can be given quickly. This problem is closely related to the large number of federal, state and local agencies that are responsible for disaster relief. There needs to be one agency that can provide information to people. This does not mean directing persons to another agency, but providing them with the information that they need. I held earthquake task force meetings in my district every Saturday following the earthquake. At these meetings we would have representatives from each relevant agency. While this provided a good forum for people to get information, it should not have been necessary. FEMA should have the ability to pull these people together without outside involvement.

A second problem faced by many of my constituents was that the application process for assistance was confusing, complicated and slow. First of all, FEMA is supposed to be the main agency with jurisdiction over disaster recovery. FEMA sets up the Disaster Assistance Centers (DACs) and FEMA officials state that assistance will be provided to everyone. However, when an individual goes to a DAC and begins the application process it becomes apparent just how disjointed the assistance programs are. People must deal with multiple agencies instead of just one. Clearly, this causes confusion and frustration on the part of those applying for assistance.

Second, many of my constituents complained about the complexity of the assistance applications. While many of these complaints were directed specifically at the SBA Disaster Assistance Loan applications, I believe that as the principal federal agency to deal with disasters, FEMA should take some responsibility to see that application forms do not discourage people from applying for assistance. Finally, many people felt that they were misled by the employees at the DACs. They were told not to worry about anything -- that assistance would be on its way. However, many of these people received rejection letters for their SBA applications or much lower damage assessments than they were led to expect. In some cases these estimates were recalculated, but that should not have been necessary. For those whose SBA applications were rejected, another application process was necessary to receive a grant from FEMA. It is ironic that those families and individuals who could not qualify for an SBA loan, and therefore were probably more needy, had to wait even longer for assistance.

Another problem that is relevant to selected other parts of the country was the problem of individuals who do not speak English. Not only did FEMA not initially have any employees who spoke Spanish, but application forms and information sheets were provided only in English. In the midst of a frightening situation these individuals had to deal with the extra burden of not knowing what type of help was available to them. I certainly understand the difficulties associated with providing bilingual, bicultural employees, but believe that it is very important that this service is available. At least the forms should be available in other languages. These forms and bilingual employees were provided only after my intervention. This should not have been necessary.

One of the types of assistance supposedly provided by FEMA is a mobile home to provide temporary housing to families displaced by disasters. However, FEMA determined that in the case of the Loma Prieta earthquake mobile homes were not needed. This decision was made while families were still living in tents in Watsonville. After many discussions with FEMA, 150 trailers were sent to the area. Today 143 of these homes are occupied and four more families will move in this weekend. Obviously, there was a great need for the trailers. FEMA should have been able to make this determination without my involvement.

Earthquakes present unique problems to FEMA. First, they are not predictable. In the case of a hurricane, weather forecasters can see the storm forming and precautionary measures can be taken. While these measures do not ensure complete safety, as was demonstrated during Hurricane Hugo, it certainly is an advantage. In addition, much of the damage caused by an earthquake cannot be easily found and structural engineers are needed to make determinations concerning the safety of buildings. However, we know that these problems exist and I believe that the federal agency empowered to provide assistance to disaster victims should be better prepared to deal with each situation. There were many times during the weeks following the earthquake when I got the feeling that I was dealing with a brand new agency with brand new responsibilities. This should not be the case. Our effort here should focus on making FEMA more responsive in the future. If this means providing more discretion to FEMA, then that is what we should do. If this means providing more statutory guidance to FEMA, that is what we should do. If this means taking the responsibility of disaster relief away from FEMA and giving it to the Army or some other federal agency, that is what we should do. What we cannot do is to let the system remain in its present form. We have seen first hand that it does not work. We must ensure that the victims of the next major disaster do not have the same difficulties that we experienced.

Mr. Chairman, I believe that these hearings are the first step in what promises to be a very difficult task. However, it is a task that we cannot ignore. I thank you for your leadership in this matter and look forward to working with you on the solutions.

Thank you again.

Mr. ANDERSON. In a moment we look forward to the testimony of the Hon. Ron de Lugo, a distinguished member of the Public Works Committee, who will discuss the storm's devastating impact on the Virgin Islands.

Mr. de Lugo.

TESTIMONY OF HON. RON de LUGO, A DELEGATE FROM THE VIRGIN ISLANDS

Mr. DE LUGO. Thank you very much.

Mr. Chairman, members of the subcommittee, I want to thank you for the opportunity of appearing before you this morning.

I can certainly associate myself with many of the frustrations and statements that were made by the budget chairman, and I thought he made a number of very, very good points.

First, on behalf of the Lieutenant Governor of the Virgin Islands, I want to express his regret at not being able to be here today. He will be submitting a written statement for the record.

Before I discuss specific recommendations for changes and improvements on how FEMA should operate, I just want to say that on balance I think we were perhaps better off than the situation was described by Mr. Mineta. I think that on balance FEMA responded to this terrible disaster in our area, which was the worst hurricane—not of the last decade, 20 years, 30 years, or of this century—but Hurricane Hugo that hit St. Croix was the worst hurricane in recorded history. The devastation that was reeked on that community for 12 hours—that is that the eye of the storm stalled right there on St. Croix for 12 hours—and the winds were reported officially at 150 miles an hour.

You come up to my office on the second floor and look at the Hess oil tanks that are built out of steel that thick and see how they were crushed by this storm, or take a look at the high school gymnasium that was built out of steel and concrete that was blown down. That was being used as a shelter and the people that were in this shelter in the middle of the night had to crawl on their bellies, hand over hand, from this steel concrete gymnasium to the high school to save their lives.

The magnitude of that storm is beyond belief. I have known of hurricanes all of my adult life. I thought I was prepared for what I would find when I flew in there the day after the hurricane, but I certainly was not.

When I arrived in St. Croix, I thought I had arrived in Beirut after a shelling, just like that. The only thing that was missing was fire. I had been in St. Croix just a few weeks before and the island was green, lush, and beautiful. The thought that struck me was that there was not one spot of green left on this island. The whole island was the color of the wood of this table or of these chairs up there. It was burnt that color by this furious wind. There was not a leaf—I'm not exaggerating—I'm telling you how it was. This is what struck me. There was not the tiniest leaf left on a tree.

You think that the Nations of the world, or the Armies of the world, are so powerful. Let me tell you—experience what Mother Nature can do and it gives us a little humility. Mr. Chairman, 80 percent of the homes were destroyed on St. Croix. The entire infrastructure of the island was destroyed.

When I arrived on St. Croix there were no communications. All communications had been knocked out. The island of St. Croix was unable to communicate with St. Thomas, the capitol, just 40 miles away, much less the rest of the world or the mainland.

The island was without adequate food, water, power, and medical supplies. The hospital on St. Croix had been destroyed. Had it not been for FEMA and the military, which did a magnificent job, emergency aid and supplies would never have reached the islands in time to save many lives and to help the residents begin the long road to recovery.

The military's performance, was outstanding. We're not here today for that purpose; we're here to talk about FEMA. I said that on balance FEMA did a good job. I will have a number of recommendations in a moment. I think it's important to set the stage to understand the magnitude and the severity of the disaster before we critique the disaster relief efforts.

Now, some specific recommendations. First, the process of obtaining—this is the bureaucratic junk that you run into when it's a matter of life or death—the process of obtaining the presidential declaration of disaster must be sped up. Without such declaration, of course, relief measures cannot officially begin.

In the case of the Virgin Islands, the presidential declaration of disaster was not officially made until Wednesday. Yet the storm had devastated the islands the previous Sunday night and Monday morning.

Why was this not done until Wednesday? Because the disaster declaration must be requested in writing by the Governor of the State, or in this case the territory. Without power, without communications, sitting out there in the middle of the ocean in the Caribbean, that's a rather difficult task.

Finally, by early Wednesday morning, my congressional office here in Washington, DC was able to receive a fax copy of a request from the Governor, which my office then sent to FEMA and to the White House only to be told that we had to go through the entire process again because the third paragraph in the letter was not exactly according to the prescribed bureaucratic format.

To give FEMA credit, however, they did not wait for the official declaration. They commandeered a C-131 plane in which I flew down to the Virgin Islands that Tuesday morning, the morning after the storm. Also on the plane were key disaster officials including representatives from MATS, that's FEMA's Mobile Air Transportable Telecommunications Systems. You can see why they refer to it as MATS.

We landed on St. Croix with no navigational aids. We were surrounded by wrecked terminals and destroyed airplanes. As we were going in—you know they tell us to strap up and they check us all out and they say, "There's no control tower, there's nothing there, we're going to make one pass—we don't know if we're going to be able to do it—but we're going to make one pass and if we can't do it the first time, then that's it. We're going to have to go back to the States or somewhere else."

Well we landed, thank God, safely, at approximately 4:00 p.m. on Tuesday afternoon, and by 6:00 p.m. this remarkable MATS crew had established communications with the United States' mainland. But even with that, atmospheric conditions caused by the torrential rains that followed the storms kept knocking out this incredibly sophisticated equipment that we're all so proud of, brag about, and point towards. Nature knocked it out every couple of hours.

Mr. Chairman, for a situation like we had in the Virgin Islands, I would suggest a pre-disaster agreement. What I mean is that when a disaster of a certain magnitude occurs and when there's no doubt that it has occurred such as in the case of Hugo, that the disaster declaration should be automatic. The conditions triggering such a declaration should be agreed upon in a document signed by FEMA, the Governor, and the officials next in line take over.

Had we not been completely incommunicado for nearly 72 hours, as we were, believe me, we would have averted many of the problems, particularly on the island of St. Croix, which caused human anxiety and panic by being cut off from the rest of the world.

Most of my focus is for St. Croix. There were a lot of people that suffered on the island of St. Thomas as well as on St. John, but on those islands the hurricane hit in selected areas. On St. Croix it was total. Let me say that there should be agreement which would automatically trigger a presidential declaration.

There should also be an advance FEMA team in place before the disaster strikes. I'm not talking about 20 or 30 people, just a small team. That should include a MATS team for hurricanes. That's certainly possible. You may not know exactly where it will strike, but with our sophisticated satellite monitoring technology it's certainly possible to target areas most likely to be hit if you know the storm's coming.

Having federal disaster officials on the scene before the disaster strikes would obviously facilitate the process of a presidential declaration and getting things going.

Second, I would suggest that FEMA have absolute control over transportation and distribution of people, goods, and supplies. Let me again say here that FEMA and the branches of the military performed superbly under the circumstances where both FEMA and the military did not fully communicate and some delays and confusion resulted and were very frustrating.

For example, military immediately flew in millions of pounds of food and supplies in C-5s. However, neither FEMA nor the local government had any resources to move these supplies from the airports to the place where the people lived. One of those C-5s certainly could have brought in some trucks. Had one agency been in charge—it should be FEMA—these sort of things would be avoided.

Once the initial steps are taken to protect and sustain human life in terms of emergency shelter, food, water, and so forth, then a process must begin whereby people can attempt to stabilize and rebuild their lives. That process takes several steps. One of the first steps in this process is to provide financial assistance to the local government, individuals, families, and businesses. Leon spoke about that.

Here, I strongly feel that FEMA should be the controlling agency. As it actually happened with the disaster relief efforts in my area, there were at least four different Federal agencies involved: FEMA, SBA, the United States Department of Education, and the United States Department of Agriculture. Each had separate and distinct control over certain areas. That doesn't work. It was confusing and very frustrating.

For example, an individual must first report to a FEMA Disaster Relief Center (DRC). In some cases, the person did not need to go any further and they were given a grant. But in most cases, the picture was not that clear. They were then sent to SBA. If SBA determined that a person was not eligible for a loan, then the person had to go back to FEMA, as Leon Panetta just said. I believe that there should be one agency in charge there.

With respect to educational facilities, the Stafford Act does not give FEMA any jurisdiction. Mr. Chairman, members of this committee, it was not until March, five months after the hurricane, that the Department of Education finally approved a grant to repair and rebuild the schools in the Virgin Islands. Had FEMA been in charge, I'm sure that the assistance could have been sooner.

I should also note that the President's waivers of local matching requirements for FEMA assistance are not automatically transferred to disaster relief aid under the Department of Education. At the very least, matching formulas and waivers should automatically apply.

I have some other recommendations, but in the interest of time I would like to ask that the rest of my statement be included in the record.

I would like to close by particularly commending some of the FEMA personnel for a job well done. They did a herculean task in our case. I'm talking about Grant Peterson, Gerald Conley, Curtis Carlton—who is here today and flew down with me on that plane risking life and limb—John Swanson, and Steve Singer. Also Roger Odell and Robert Palma of MATS.

Thank you, Mr. Chairman.

Mr. **Anderson**. With no objection, your full remarks will be made a matter of record including the questions.

Mr. **de Lugo**. Thank you.

Mr. **Anderson**. I know that you partially answered this, but, Mr. de Lugo, is it true that with communications out, the Lieutenant Governor was not in the Virgin Islands and was therefore able to request a disaster, but it was not considered valid? Would you please comment on that?

Mr. **de Lugo**. Yes, because the Governor of the Virgin Islands was in the territory, he was the legal Governor and they told us that the request could not be accepted from the Lieutenant Governor since he's just the second in command and up here in Washington, DC.

So that's why we had to go through that whole——

Mr. **Anderson**. Where was the governor at that time?

Mr. **de Lugo**. The Governor was on the island of St. Thomas.

Mr. **Anderson**. So he was in the Virgin Islands?

Mr. **de Lugo**. He was in the territory, so he was the legal head of the State.

Mr. **Anderson**. And he didn't request a disaster?

Mr. de Lugo. He could not because there was no communication. The phones were out. All communication was out. It took until Wednesday for us to finally get something faxed up to my office. Then, as I said, it wasn't acceptable.

Mr. Anderson. The second question I have is, what are the present conditions in the Virgin Islands, particularly on St. Croix? What additional recovery is needed to bring the Virgin Islands to the way it was before Hugo?

Mr. de Lugo. Hugo did a billion dollars' worth of damage to that little territory with a population of a little over 100,000. The present state—the Federal Government, the agencies, FEMA, the armed services, the Army Corp of Engineers—I have to cite them. They've done a great job. They're all working hard—SBA—there have been some real problems with SBA but I think they're getting their act together now.

They're not getting the money out fast enough. Here it is May, we're almost up to the next hurricane season, and many of the small businesses that were completely flattened have not received any money or any help so that they can get back in business. Many homeowners have not received help.

I think that more than anything else, in the Virgin Islands, we just need to realize that the type of pressure that was put on immediately after Hugo will have to be sustained. Many people think that if you have a disaster in three, four, or six months it should be taken care of and we can move on to other things.

In the case of St. Croix, it is going to take literally two years at minimum to bring this community back because there is no economy. The entire economy was wiped out.

Mr. Anderson. Mr. McEwen.

Mr. McEwen. Thank you, Mr. Chairman. I have no questions. I just want to thank you very much for your testimony. It's most enlightening. I have a page and a half of questions as a result of your testimony for the FEMA panel tomorrow. I thank you very much.

Mr. de Lugo. Thank you very much, Bob.

Mr. Anderson. Mr. Mineta.

Mr. Mineta. Thank you very much, Mr. de Lugo, for your complete and moving testimony.

I'm wondering, when you say that FEMA ought to take over, that they should have absolute control over transportation and distribution of people, goods, and supplies, is this short of martial law? I'm not sure what you're——

Mr. de Lugo. Well, I'm certainly not asking for martial law. What I'm asking for is that coordination—there has to be one agency, whether it's FEMA, or it's the Defense Department, whichever agency is responsible, they have to have jurisdiction over the others.

As I pointed out with regard to the Department of Education, it's not a small matter when all of your schools have been devastated—I mean flattened. It takes five months to get this other agency to respond.

Let me give you an example where even I went wrong. When there was the terrible disaster in your area in California, the earthquake, well, I had to try and protect my constituents and try to get our recovery done because your disaster was just a month after mine. So immediately I contacted FEMA up here and said, "I know the clout of the California delegation. This is a terrible thing that's happened up there, but we've just barely begun with the recovery effort in the Virgin Islands. Don't you pull out the people that you have in the Virgin Islands, send them to California, and leave us sitting out in the Caribbean unable to recover. Don't do that."

They promised me that they wouldn't, and they didn't. But I forgot that SBA was not under FEMA, so half of the trained people of SBA went out to California.

That's a problem. You've got to be able to talk to one agency and one agency needs to set the policy.

Mr. MINETA. In the absence of this disaster, would you have your normal compliment of transportation, let's say to move goods about in the Territory?

Mr. DE LUGO. Right.

Mr. MINETA. I take it that all of that equipment was destroyed by the force of Hurricane Hugo. What you're saying is that since they brought in a million pounds of food, they should have brought in the logistical support for that at the time?

Mr. DE LUGO. That's right.

Mr. MINETA. How long did that take, finally, before that came in?

Mr. DE LUGO. Before the trucks and so forth came in? That was a couple of weeks, and even then there weren't enough sent in to get the materials out. That was one of the real weak points.

I don't think that anyone really comprehended the magnitude of what had happened to this little island. I think it's part of human nature. When you think of a disaster, if it happens in a small place it's hard to conceive that it is big. If the place is small, somehow the disaster seems small.

Mr. MINETA. That goes back to this earlier suggestion of Congressman Panetta when he was saying that FEMA grew out of the old office of civil defense. I don't know whether we're sitting around with the mentality that we're just going to wait around for the nuclear bomb to drop—and yes we'll be able to deal with that—but small things like hurricanes, tornadoes, and earthquakes, we can't be bothered with those.

Mr. DE LUGO. You've put your finger right on it.

Let me tell you something. FEMA—or if you want to give it a different designation, or create another agency—there should be a disaster agency. My God, look at the amount of disasters that we had in 1989 in this country.

Mr. MINETA. Last week we had the floods in Texas.

Mr. DE LUGO. That's right. We're hoping that we're moving into a peaceful world. Maybe it's nature that we're going to have to be responding to. If FEMA—or whatever agency was in control of this—was given the authority and the power to coordinate all these other agencies and to avoid all of the bureaucratic game playing that goes on, we would be rendering a great service to our constituents.

Mr. MINETA. What was your response when—let's say—a FEMA official says to you, "Yes, but Mr. Congressman, you make us responsible for these funds, we're just being responsible to make sure that there isn't waste, fraud, and abuse, and we're being very careful as to how those monies are being utilized."

Mr. DE LUGO. They're always going to say that if the money isn't getting out fast enough. You and I aren't going to take that. We're going to put on enough heat. If it's a situation—and I must say that in my area I found that the FEMA people went—once they fully realized the magnitude of it, they responded. They really tried their very best. I think in the first few days they simply weren't prepared for this type of disaster.

They went in pretty cocky. They figured that they were the pros; they knew how to handle disasters. "Don't get upset. You're just upset because it's your home, but we're going to handle the whole thing." They weren't prepared for one of these disasters.

Mr. MINETA. Mr. de Lugo, eight months later now, are the checks still being cut on a timely basis? Are the places being inspected?

Mr. DE LUGO. The problem is not with FEMA. In this case, it is with SBA, the Small Business Administration. They have not gotten the money out.

All right. I hate to take this time, but let me give you an example. I knew that it was probably going to take some time to get the money out to the people. I knew that people who had good income and were financially in good shape would be able to get loans from their commercial banks and so forth. But I also knew that were a lot of other people that were not going to be able to get this

I went to the Governor of Puerto Rico and asked if they could help with these 936 funds that they have in their banks over there. I asked if they could arrange for the Government of the Virgin Islands to borrow up to $40 million to provide bridge loans so that people could get from the government, just like that, a loan to rebuild their house—to rebuild their home—and then when they got their loan from SBA they could pay back the bridge loan.

SBA was so sure of themselves and they kept saying, "We're going to get this money out in 60 days." When I had the meeting there with the Lieutenant Governor, all the bankers were there, and the SBA shows up and says, "There's no need for that loan. We're going to be able to get the money out in 60 days."

As a result, after I had been able to convince the Governor of Puerto Rico to make this money available, the Governor of the Virgin Islands said, "We don't need it because I've been assured by SBA that the process is going to be swift." Well, it's still dragging its feet.

Mr. MINETA. And you got a swift kick in the pants.

Mr. DE LUGO. That's right.

Mr. MINETA. Thank you, Mr. de Lugo.

Mr. ANDERSON. Thank you, Mr. de Lugo.

Mr. DE LUGO. Thank you, Mr. Chairman.

Mr. MCEWEN. I have just one question here, Mr. Chairman.

Mr. ANDERSON. Go ahead, Mr. McEwen.

Mr. MCEWEN. Mr. de Lugo, could you give us the name of the person who—for this safety valve that you had established, having the bridge loans just in case SBA stubbed their toe—the one who sabotaged that program, do we have his name any place?

Mr. DE LUGO. I don't even know that I have his name. I don't know.

Mr. McEWEN. He's in the right agency, probably.

Mr. DE LUGO. That was the attitude of the agency down there. It was just that they were——

Mr. McEWEN. Common sense.

Mr. DE LUGO. Bob, they actually believed that they were going to able to get the loans out.

Mr. McEWEN. But see, common sense would tell you that it's not going to hurt anything to be prepared just in case. That's what someone who had given their life to service of an emergency management—that's something that they ought to come up with just in case something might possibly go wrong. Maybe we could have another storm here. It's not going to hurt anybody to come in here and get this paperwork done.

To come in and undo it is precisely 180 degrees opposite of what a person ought to do in that agency. Of course trying to find him is going to be like trying to find a needle in a haystack.

Thank you.

Mr. DE LUGO. You have a good point there.

Mr. McEWEN. Mr. de Lugo, your testimony here today has been very helpful. Thank you very much.

Mr. ANDERSON. Thank you, Mr. de Lugo.

Mr. DE LUGO. Thank you, Mr. Chairman.

[Mr. de Lugo's prepared statement follows:]

STATEMENT OF REPRESENTATIVE RON DE LUGO ON FEMA DISASTER OVERSIGHT BEFORE HOUSE PUBLIC WORKS SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT

May 1, 1990

Mr. Chairman, members of the Subcommittee, thank you for the opportunity of appearing before you today to discuss the Federal Emergency Management Agency's role in handling major natural disasters.

First, on behalf of Lieutenant Governor Hodge, I want to express his regret at not being able to be here today. He will be submitting a written statement for the record.

Before I discuss specific recommendations for changes and improvements on how FEMA should operate, I just want to say that on balance that I think FEMA responded to this terrible disaster in the Virgin Islands as best it could. Bear in mind that Hurricane Hugo, with winds in excess of 150 mph battered the Islands for over 12 hours, and in the case of St.Croix, badly damaged, or totally destroyed, almost 80% of the homes and did destroy the entire infrastructure of that Island with a population of over 55,000 people.

When I arrived on St. Croix, the day after the storm, literally all communications were knocked out. We couldn't even communicate with St. Thomas, 40 miles away.

The Island was without adequate food, water, power, and medical supplies. The hospital on St. Croix had been destroyed. Had it not been for FEMA and the military, emergency aid and supplies would never have reached the Islands in time to save many lives and to help the residents begin the long road to recovery.

So, I think it is very important to set the stage by understanding the magnitude and severity of this disaster, before we critique the disaster relief efforts.

Now, I do have some specific recommendations to make.

First, the process of obtaining the Presidential Declaration of Disaster must be speeded up. Without such declaration, of course, relief measures cannot officially begin.

In the case of the Virgin Islands, the Presidential Declaration of Disaster was not officially made until Wednesday. Yet the storm devastated the Islands the previous Sunday night and Monday morning. Why? Because the Disaster Declaration must be requested in writing by the Governor of the State (in this case, the Territory). Without power and communications of any kind in the Virgin Islands, this was difficult. Finally, by early Wednesday morning, my Congressional office here in Washington was able to receive a fax copy of a request from the Governor, which my office then sent to FEMA and the White House, only to be told that we had to go through the whole process again because the third paragraph in the letter was not exactly according to the prescribed format.

To give FEMA credit, however, they did not wait for the official declaration. Grant Peterson of FEMA commandeered the CI3I plane on which I flew down to the Virgin Islands that Tuesday morning. Also on the plane were key disaster officials including representatives for MATTS, FEMA'S Mobile Air Transportable Telecommunications System. We landed on St. Croix with no navigational aids at all surrounded by wrecked terminals and destroyed airplanes. We landed at approximately 4 pm., and by 6 pm. the remarkable MATTS crew had established communications with the U.S. mainland. Even at that, atmospheric conditions caused by the terrential rains following the storm kept knocking out this most sophisticated of equipment.

Mr. Chairman, for a situation like we had in the Virgin Islands, I suggest a pre-disaster agreement. What I mean is that when a disaster of a certain magnitude occurs, and when there is no doubt that is has occured, the Disaster Declaration should be automatic. The conditions triggering such a declaration should be agreed upon in a document signed by FEMA and the Governor of the State, or Territory in advance. What if, God forbid, the Governor, and the officials next in line are seriously injured, incapacitated, or are killed in the disaster? How can they be expected to ask for help? This was not just another spring flood, Mr. Chairman, where sometimes the Presidential Declaration is only made many days or weeks after the natural disaster occurs.

Had we not been completely incommunicado for the nearly 72 hours that we were, believe me, we would have averted so many of the problems, particularly on St. Croix, which were caused by the humand anxiety and panic of being cut off literally from the rest of the world.

In this connection, not only should there be agreement on what would automatically trigger a Presidential Declaration, but there should also be an advance FEMA team in place before the disaster strikes. This should, of course, include a MATTS team. For hurricanes, this is certainly possible. You may not always know just exactly where they will strike, but with our sophisticated satellite monitoring technology, it is certainly possible to target areas most likely to be hit. Having federal disaster officials on the scene before the disaster strikes would also obviously facilitate the process of a Presidential Declaration.

Secondly, I would suggest that FEMA have absolute control over transportation and distribution of people, goods, and supplies. Let me again say here that FEMA and the branches of the Military performed superbly under the circumstances as to these functions. But there were occasions when both FEMA and the Military did not fully communicate and some delays and confusion resulted. As an example, the Military immediately flew in millions of pounds of food and supplies in C-5's. However, neither FEMA nor the local government had the resources to move those supplies from the airport to population and distribution centers. One of those C-5's should have brought in trucks and tires. Had one agency been in charge, and it should be FEMA, these things would not happen.

Once the initial steps are taken to protect and sustain human life in terms of emergency shelter, food, water, and medical supplies, etc., then a process must begin whereby people can attempt to stabilize and rebuild their lives. This process has many steps, and I might say that we really have not reached anything close to the final steps yet, especially on St. Croix.

One of the first steps in this process is to provide financial assistance to the local Government, individuals, families, and businesses. Here, I feel very strongly that FEMA should be the controlling agency. As it actually happened with the disaster relief efforts in the Virgin Islands, there were at least four different Federal agencies involved: FEMA, SBA, U.S. Dept. of Education, and the U.S. Dept. of Agriculture. Each had separate and distinct control over certain areas. This doesn't work. It was confusing, to say the least, for all of the people in need. And most importantly, it delayed the distribution of financial aid.

For example, an individual must first report to a FEMA Disaster Relief Center. In some cases, the person did not need to go any further. It was clear that he or she was not eligible for a loan, so FEMA approved a grant. But in most cases, the picture was not so clear. If SBA determined the person was not eligible for a loan then that person had to go back to FEMA. And therein lies the problem. Time was wasted. You have FEMA personnel whose policy and training is to act quickly in a disaster situation. Then you have SBA, whose personnel for the most part are not trained to respond to a disaster. Also, SBA loan policies require months to process and their disaster loan forms are extremely complicated and clearly not designed for disaster circustances. So what I recommend is that FEMA needs the authority to make and process loans as well as grants.

With respect to Educational facilities, the Stafford Act does not give FEMA any jurisdiction. It was not until March that the U.S.

Dept. of Education finally approved a grant to repair and rebuild the schools in the Virgin Islands. Had FEMA been in charge, I am sure that the assistance would have come sooner. I should also note that the President's waiver of local matching requirements for FEMA assistance is not automatically transferred to disaster relief aid under the Dept. of Education. At the very least, matching formulas and waivers should automatically apply.

And with respect to the poor farmers in the Islands, only in the last few weeks, some eight months after the storm, are they finally receiving funds to repair fences, clean debris, and recover losses sustained because their crops were destroyed before harvesting. Again, FEMA had no jurisdiction in this area. Mr.Chairman, I was absolutely shocked by the lack of programs, and quite frankly, lack of concern at USDA for the victims of Hurricane Hugo. Their primary concern was "jurisdiction" and frankly they should not have it in a disaster situation.

The bottom line, Mr. Chairman, is that the Stafford Act must be amended to give FEMA control over all disaster relief programs, regardless of whether or not such disaster relief programs are otherwise administered by another Federal Department or Agency. I realize this would be a major change. But it is a very fundamental managment principle, that there be one coordinator, one boss, one who is in charge overall. If FEMA determines that the farmers are in need, then FEMA must have the authority to provide the financial aid to the farmers, and must also have access to funds on a timely basis to do this. After the assistance is provided, then FEMA can bill, invoice, or charge the appropriate Agency for reimbursement.

This leads into my next point, which is that whether or not it's funds or cash for those programs now under FEMA's jurisdiction, or for those programs which I am suggesting be shifted to FEMA, FEMA needs to have these funds on a timely basis in order to engage a contractor to do the work, or to provide funds to the appropriate local government agency to do the work. Call it "instant cash" if you will. Normal procurement and contract policies have to be suspended so work can be done quickly.

My last major point to make is that assuming we can put in place what I have just recommended with FEMA in charge overall, we still need to have ongoing training programs in disaster prone areas, such as the Caribbean which is "Hurricane Alley", for people who are on "standby" to serve as FEMA personnel when needed. We need to have trained and experienced "temporary" personnel. This training should be coordinated with the local government's relief agency which in the Virgin Islands is V.I.T.E.M.A. There are many people in the Virgin Islands who could now easily qualify as disaster specialists. And I would hope that they be given priority in the recruitment process.

In conclusion, I want to commend FEMA personnel for a job well done under the circumstances—Grant Peterson, Gerald Connelly, and Steve Singer. Also, Roger O'Dell and Robert Palmer of MATTS,(the Mobile Air Transportable Telecommunications System).

Thank you, Mr. Chairman, for the opportunity to testify before you this morning.

Mr. ANDERSON. Our next witness is the Honorable Arthur Ravenel whose district in South Carolina respectfully suffered not only the vagaries of a fiercely destructive storm, but the vagaries of an unpredictable Federal Disaster Assistance Program.

Mr. Ravenel, the floor is yours.

TESTIMONY OF HON. ARTHUR RAVENEL, JR., A REPRESENTATIVE IN CONGRESS FROM SOUTH CAROLINA

Mr. RAVENEL. Thank you, Mr. Chairman, and thank you for this opportunity to give testimony on the effectiveness of FEMA following Hurricane Hugo down there. We're fortunate to have the Mayor of the City of Charleston, Joseph P. Riley, Jr., who will give testimony, who emerged as one of the heroes of the disaster.

If ever the Federal Government should have bent over backwards to mobilize its resources, it was in hurricane-torn coastal South Carolina. The monster storm, one of the monster storms, one of the most destructive in American history, left five billion dollars worth of damage, 23,000 homes in ruins, and 60,000 people homeless.

Mr. Chairman, I flew down from Washington, DC on Wednesday evening because it looked like the storm was going to hit Charleston, and I wanted to be there. I've ridden out a number of hurricanes in my life, but, quite frankly, I was unprepared for the force of that hurricane. Nothing like that, in recorded history, has ever hit the coast of the United States.

Mr. Panetta said that someone said—Representative de Lugo said that—talking about the wind velocity. Well, down at a little fishing village known as McClellanville is the headquarters of the Francis Mary National Forest, and the wind was clocked down there at 179 miles an hour. The thing that did so much damage was that in addition to the winds we had this series of tidal waves, some of them as high as twenty feet tall. Now, if you want to know what 20 feet is—this is a 40 foot ceiling in this room, so 20 feet is half the height of this hearing room. Those tidal waves were moving at the speed at which the hurricane was traveling which was somewhere between 18 and 20 miles per hour.

In a lot of areas you have an average sea level elevation there of anywhere from 5 to 15 feet. If it runs inland for three to four miles and one of these tidal waves hits it running 15 to 18 miles per hour with 20 feet of water, you have a real problem. It's the kind of thing that you see in these storm movies, hurricane movies.

It left 60,000 people homeless. As one federal worker said of the ravaged coastal communities along highway 17—that's the coastal highway that runs up and down the coast—he said, "They've been nuked." Only as a result of our Governor's initiative to order an early evacuation did we avoid a massive loss of life.

Somewhere between 200,000 and 225,000 people evacuated inland. I know when my family left me they said, "It's too much for us Arthur, we're going to leave you here." They got into the car at about 7:30 that night on the way to stay with relatives in Columbia, which is 100 miles inland. It took them—on the interstate highway it took them five hours to get there—a trip that generally takes less than two hours—and they had opened up all four lanes.

They had opened up the eastbound lanes as well as the westbound lanes. So they had four lanes of traffic on that interstate going inland. There was just this great migration of people flowing inland.

The Governor had sent the National Guard and the local authorities in and he told everybody, "You've got to get out. Get on out if you're in the low area and it's subject to flooding."

The fact that our emergency broadcasting system blew away as the full force of the storm came ashore—it passed right over Charleston Harbor, right over my house. It was an incredible thing. I walked outside just for a brief moment because we were monitoring the Jacksonville radio station which had turned up their power to 40,000 watts and were letting those of us who were there with transistor radios know what was going on.

As ferocious as the leading edge of the storm had been, I walked out there and you could see the stars. It was an incredible situation that lasted for about 18 minutes. They were telling us over the radio—we had battery powered radios—"Don't go out. Don't walk around. The following edge is going to be worse."

So I went back in. Gentlemen, when the following edge of that storm hit my house it was as if a Greyhound bus had just run into it. There was no gradual pick up of wind. I thought my house was going to explode or implode upon me.

It leads one to wonder what would happen in the aftermath of a nuclear attack. The survivability of these communications systems need to be examined. Without them there can be little or no effective emergency operations. In addition to loss of communications, electrical power—of course an essential component of emergency response and recovery—was lost for a minimum of two to three weeks. In most areas utility poles for over 100 miles inland were knocked down.

This scenario, together with the impassable condition of roads and highways due to literally tens of thousands of downed trees and the debris brought in by the tidal waves, created a logistical nightmare for the delivery of emergency assistance. This was a worst case scenario for which, in my opinion, FEMA was really taken by surprise.

Now, the FEMA officials are quick to point out that their mission is in managing State and local emergency preparedness teams. However, it is clear that few States, counties, or communities in the Country possess adequate resources to cope independently with a disaster the size and scope of this hurricane.

In addition, a close working and planning relationship between FEMA and these emergency organizations, assuming it existed, just wasn't evident.

If it is true, as some people have said that the Category 5 storm was simply too catastrophic to manage, then we ought to look at the option of designating the Army, and specifically the combat engineers, as the first federal agency to respond to natural disasters and turn FEMA into a paramilitary organization.

Here's what I mean by that. The day after the disaster occurred, the Governor was in Columbia and had gotten a hold of the President and they sent in the engineers. They came in from Fort Bragg and they came in from Fort Stewart down in Georgia.

Those guys, when they come in—and they were the first there—they come with chain saws, field kitchens, emergency electrical generators, and communications equipment. Of course the commanding officers, the General and the Colonel in charge—as every military organization is supposed to do and react and is expected—the General would look for reasons to solve the situation. He'd come in, assess it, he and his officers, and he would say, "This is a disaster. This is the problem. How can we solve it?" And they did solve it.

They started to reckon what traffic was starting to move. They started clearing the roads. They took emergency generators to the hospitals. They started setting up their soup kitchens, and they started feeding people. They solved the problems as the problems arose.

FEMA, which came in about a week later, came in and—being a bureaucracy—came in with pencils, papers, and forms—My God forms—coffee pots, sugar, cream, computers, and what have you a week later. Of course they were coming to fulfill their mission. But it was the Army combat engineers, working together with the National Guard, who really rendered the significant relief that we needed in the community.

Fortunately, the telephones worked in many areas because the cables were underground. I was so exhausted by the passage of the hurricane that I dropped to sleep about 2:00 in the morning and about 6:30 my telephone rang. It was one of the national broadcasting companies, Good Morning America, or one of those early morning shows. I answered the phone and they said, "Congressman," and I said, "Yes. How did you know I was here?" They said, "We had heard that you had ridden out the storm." I said, "Well, how in the world did you get a hold of me?" They told me, "We just dialed your number."

No one was more surprised than I was that the telephones worked. They worked because almost 90 percent of the lines in our area have been buried—thank goodness.

We run our congressional operation mainly from Charleston. We have a federal building down there and most of our staff is concentrated there because that's where most of the work is. We met Monday morning in the dark. I told the staff, "What we've got to do is to become experts in ali the areas of federal disaster relief." During the first few weeks—I'd say probably the first month—we received over 3,000 telephone calls, victims desperate for assistance and information. We did the best we could to hand out the information. It was very difficult to find anybody in FEMA to plug into.

Fortunately, a week after the storm had hit, the President flew down and signed the billion one or two that we gave him on the way down. Senator Thurmond, members of the congressional delegation whose districts had been affected—I think there were three of us in the State whose districts had been affected—we flew down with him.

I happened to sit next to a fellow by the name of Grant Peterson. He was the acting director of FEMA, former elected official from somewhere out there in the midwest, and of course he knows how it is in the real world when you have to run for election and you're just not appointed. If it weren't for running into Grant Peterson, I just don't know what we would have done down there. We found a guy that we could plug into as we ran up—as we frequently did—against a rock and a hard place, and a call to Mr. Peterson in Washington, DC would solve a great deal of the problems.

Over and over again we heard the same complaints. "The toll free number for FEMA is a joke because it doesn't answer." Of course the extent of the disaster was so great that their telephone lines which they had managed to get set up there—their emergency lines—were just swamped.

It was a week after the disaster happened, on September 28, that the Charleston newspapers reported that the FEMA officials and teams would begin arriving the next day to start assessing the hurricane's damage. Their advance teams had already been there. It's not hard to imagine while people are holding candles and wading knee deep in mud in their living rooms that they had just about had it. They were discouraged and outraged.

The incredible thing is that in my district alone, which contains only seven of the State's 46 counties, Mr. Chairman, there are no less than five military bases. Any of these bases could have served as strategic staging areas for FEMA's immediate response, but they were not asked. They were not requested. More than one base commander telephoned our office in frustration to say, "Tell the Congressman that I've got the personnel, the equipment, the air base, the cargo planes here, and the runway's cleared. We're ready and waiting. But I can't move without orders from FEMA." Instead, a week after the storm, we have FEMA announcing the opening of the first disaster assistance center, the DAC, out in a suburban area of Charleston.

For seven days we had 50,000 people in the area waiting in shelters, no local potable drinkable water, and very little food. On the eighth day, FEMA opened up the first DAC center and said, "Okay, get in line and start filling out the forms."

Ladies and gentlemen, there's just got to be a better way.

Thank you, Mr. Chairman.

Mr. **Mineta**. Thank you very much, Mr. Congressman. Let me call upon our colleague, Mr. Ballenger, from the Public Works and Transportation Committee. I might, at this point, ask for his testimony and then we'll get back to questions for the two of you.

TESTIMONY OF HON. T. CASS BALLENGER, A REPRESENTATIVE IN CONGRESS FROM NORTH CAROLINA

Mr. **Ballenger**. Thank you, Mr. Chairman. I hate to run in and out, but we have a mark up going on right down the hall on the Civil Rights Act and I think that's fairly important.

I'm probably going to come from a different perspective than my compatriot here because, although we both had Hugo, I'm 200 miles inland from Charleston. By the time that it got to us the only damage was pure wind with trees that had been wet for two weeks before so that most of the damage that was done was blowing down on houses and not destroying them.

I think the basic difference between some of these discussions is population density. Luckily for me it came right through my town of Gastonia, but in reality we didn't have the density of it.

If I were grading FEMA, I would give it a strong B plus. Last year, my district suffered the ravages of severe tornadoes in the spring and Hurricane Hugo in the fall. In both instances, FEMA responded swiftly and surely, and maybe, unfortunately, we were fortunate in the fact that we had had the tornadoes in the spring so that they had a chance to practice on us. We used mobile homes at that time, but we had no use for them in the fall. So if they brought, as they were discussing earlier, mobile homes into North Carolina after Hurricane Hugo, we had trees blown down on our roofs but we didn't have any houses destroyed. There really wasn't any need for mobile homes at that time.

To be certain, there were some mistakes made. I believe FEMA learned from them. There were frayed nerves and criticism from elected officials; the intensity of emergency situations will always produce that.

The long lines for assistance shown on the evening news gave the impression that FEMA was ineffective—maybe in Charleston it was—but that's not the way I saw it in my district. What I found when I visited the Disaster Assistance Centers was a well-organized group of professionals who were dedicated to the task of providing relief to those who had suffered loss.

Applicants were treated with compassion, not herded like cattle as television would make you believe. The lines were kept short because DAC managers worked out a scheduling system. Local officials were consulted for advice and assistance.

I was quite impressed with the FEMA Reserve Program. People from various fields are recruited, trained, and placed on reserve status and in times of disaster they're called into service, leaving their jobs and families for a few days or weeks of duty. It's impractical and costly to keep FEMA staff at emergency levels at all times. The Reserve Program is an effective solution to that problem. I hope that we will continue to provide FEMA with the resources to continue and strengthen this program.

I want to commend FEMA employees for the exemplary work under the worst conditions and to publicly thank them for the work done in my district. I would like to suggest some procedural changes, however, that might help to prevent misunderstanding and acrimony that occurred in some locations last year, especially in the aftermath of Hurricane Hugo.

First, get the word out quickly. FEMA's primary mission is emergency management, not emergency response. FEMA is not equipped or designed to provide the immediate on-the-scene response needed following a disaster. It is, however, well placed to provide the coordinated management that is needed in the days and weeks following.

They should implement periodic and mandatory training for State officials who are responsible for making application to FEMA for assistance in the aftermath of a disaster. I believe that much of the blame placed on FEMA last year—mainly that it was guilty of bureaucratic foot dragging—was not actually the agency's fault. From what I and my staff witnessed, much of the problem could be traced to the lack of knowledge on the part of State officials as to what information FEMA needed and what process should be followed to secure a disaster declaration. Once FEMA had acquired the information, it acted quickly.

Also, they should improve communication with media outlets in rural areas. This suggestion may sound insignificant, but in some areas of my district, the local newspaper and AM radio stations are the only regular source of outside news. FEMA public affairs officers often relied on fax machines and the Associated Press to spread the important information. But many media outlets do not have access to either of these. On some occasions, Disaster Assistance Centers were opened without the knowledge of the local populous. I'm sure any local congressional office would be more than happy to provide FEMA with comprehensive updated media lists.

Also, they need to make sure that non-profit organizations are advised of their eligibility for assistance. Many such groups in my district did not learn of their eligibility until all applications had passed.

Also, above all, they should cut the red tape that strangles the Financial Assistance Programs. I realize that the Federal Government has a mandate to assure that our tax dollars are spent wisely, and that all reasonable steps should be taken to prevent fraud. However, in times of disaster, the elaborate schemes that we have devised to guarantee eligibility cause assistance to arrive at a snail's pace to those who so desperately need it.

In the various individual assistance programs it's not uncommon for individuals to wait two months or more for aid after their applications are filed. We should do our best to reduce that time to hours if not days. Insurance companies provide immediate assistance. We need to devise a system to do the same.

Local governments also complain strongly to me that paperwork that they were required to complete for assistance almost caused all other normal operations to cease for a matter of weeks. The instructions are so voluminous, and the paperwork so lengthy, that private consulting firms have sprung up all across the country offering to complete forms in exchange for a percentage of the relief. Something of the whole process seems rather cold and calloused to me. If at any time the Federal Government should be able to show trust and compassion to those in need, it's in times of emergency. We should exhibit our confidence that duly elected and appointed officials in various local governments are not on the take, and that emergency assistance they seek will be used for just that—emergency relief.

An audit process after the relief has been allocated would serve the purpose of emergency assistance much better than the absolute verification up front.

I hope the opportunity never arises again for FEMA to come to my district, and I wish our Nation would never again face disasters so that we could disband the agency altogether.

But the force of nature cannot be harnessed, and natural disasters can be more destructive than war itself. Since we have made FEMA the Federal Government's first line of defense, it is our mission as Members of Congress to ensure that the agency has the resources it needs.

Thank you.

Mr. **Mineta**. Thank you very much, Congressman Ballenger, for your very fine testimony and for your suggestions embodied in that statement.

Let me ask, first of all, did you find that the FEMA reserve staff were well trained and knew what to do when they came into your district?

Mr. **Ravenel**. Do you want to go first?

Mr. **Ballenger**. No, you go ahead.

Mr. **Ravenel**. Some of them did, Congressman, some of them didn't.

Of course we have to realize that FEMA's resources were stretched to the limit. They had disasters in the Virgin Islands, Puerto Rico, and a new one anticipated that the storm would strike the mainland like it did, with the force that it did. When it did, they were sorely taxed for managerial personnel.

One of the things that they avail themselves of are that the school teachers of the area volunteered their services. Of course all of the schools were closed, as many of them were inoperable because of the damage that had been done to them. I think the figure was in excess of 300 teachers who had volunteered their services and went on as FEMA employees and worked for several weeks. That was of great assistance to them.

Mr. **Mineta**. Doing disaster relief type work?

Mr. **Ravenel**. Yes.

Mr. **Mineta**. Not teaching in temporary—the schools were not opened on a temporary basis? They were doing other types of emergency——

Mr. **Ravenel**. The schools were closed and they were manning the desks, greeting people, assisting people, and referring people. See, when you go into one of the Disaster Assistance Centers, all the ancillary organizations—the lead agency really was SBA—you would be referred to those tables. After you stated your need to the FEMA greeter, there was a lead agency that operated the DAC and you were referred after you told them what your problems were.

Mr. **Mineta**. Let me ask you, did you have someone from your office at the DAC itself?

Mr. **Ravenel**. Well, we had quite a number of DACs set up. What we had was one member of our office who roved around the DACs to see if things were going well and then the Disaster Relief Center, in which all the local agencies, including FEMA, the Governor's office, the National Guard, the local folks, representatives of the cities, and what have you, we had a permanent desk there.

When people would run into situations where they figured they needed congressional assistance, they would come to our desk. That's how we handled it. We operated like that for about five weeks.

Mr. **Mineta**. Congressman Ballenger, let me ask about the reservists you were talking about. Did you find that they were well trained?

Mr. **Ballenger**. To my way of thinking they were very well trained. Unfortunately, but fortunately in this case, our greatest damage was the tornadoes in the spring. We were the only disaster at that time so it was very well done. Our tornado, was—thank

God—out in the open country so that at most there were maybe only 200 or 300 people involved with three or four being killed.

When the hurricane came, Arthur's district was obviously substantially more damaged than ours, but the volunteers that we had I thought did an excellent job. In fact, we did have staff at each—again because of the lack of real damage and the number of people hurt—we did have our staff at the two stations in our general area. They, in my considered opinion, did an excellent job.

Mr. MINETA. Congressman Ravenel, let me ask, FEMA says that the military is more expensive to use than local contractors and the States have to share that cost, that's why FEMA is hesitant to call them in. I'm wondering if you could comment on that.

Mr. RAVENEL. Of course, you have two different things that you're talking about. Sir, you have the combat engineers, and I can't see how they could be more expensive than private contractors. They can only stay ten days now, unless the Governor requests of the President that they stay on an additional 10 days when they're initially called in. This is the regular army. Mr. Chairman, ten days are the limit. But those folks are sitting around the country endlessly training.

When a situation like that develops they're just absolutely sitting on gold. I don't see how FEMA could maintain that because they're on the regular Army payroll all the time.

I think what FEMA is referring to is the role played by the Corps of Engineers and when you get later on in the process—what the corps does is after the initial ten days, when the regular military has to move out unless ordered into additional days by the President, the Corps of Engineers handles the contracting out to the private contractors.

What happened in our area was that the Corps of Engineers handled the contracting, but the contractors came from all over the country. Even today, six months after the disaster—it's going to take us about two years to get straight—you drive down one of the streets in any of the communities that were hit and you see license plates on the pick up trucks and the cars from Texas, New Hampshire, and all over the country belonging to folks that have come in.

Mr. MINETA. Congressman Ravenel, let me ask, on page three of your testimony you say, "The toll free number for FEMA is a joke. No answer." Was it literally no answer, the line was busy, or you got through and the people didn't know what they were talking about or weren't very courteous or whatever the problem might be, or was it literally no answer?

Mr. RAVENEL. As I think, what I said was that they did not realize the extent of the disaster and the tremendous amount of people who would be calling in requesting assistance, so the number of lines that they contracted for with the telephone company were just insufficient. You would call the toll free number and it would just interminably ring and nobody would ever answer it. That's when they would put down the phone and call the congressional office or some other agency. I just think they were just so overwhelmed by the size of the disaster.

Mr. MINETA. Thank you very much.

Mr. McEwen.

Mr. McEwen. Thank you, Mr. Chairman.

If I could, Arthur, go back to the question about the military where you mentioned that everyone wanted to help but they couldn't understand why FEMA didn't ask. The benefit of these hearings is to correct problems like this. You said that the commander of the base said, "Tell the Congressman I have personnel, equipment, and cargo planes ready and waiting. I can't move without orders from FEMA." Do you know anymore about that?

Obviously that is a mistake in the system if we have to wait for FEMA to do anything. It seems that these people are trained to help and people that deal in paper are trained to protect turf. So if they're going to go down there with their elbows out about my jurisdiction versus your jurisdiction while people are drowning in their mud, obviously there's a mistake here.

Mr. Ravenel. What would happen—the chain of command is that the Governor requests assistance from the Federal Government and from the President. The initial response was to send in the combat engineers along with the National Guard, which was a very wise decision.

Mr. McEwen. Who made that decision, did you say?

Mr. Ravenel. Excuse me?

Mr. McEwen. Who made that decision?

Mr. Ravenel. The Governor.

Mr. McEwen. And he can call out the United States National Guard but only the National Guard?

Mr. Ravenel. He can ask the President to do that.

Mr. McEwen. And the President can call out the combat engineers at will?

Mr. Ravenel. Right.

Mr. McEwen. There's no legislative prohibition?

Mr. Ravenel. He can send them in for 10 days, but after 10 days they have to leave unless he authorizes additional time. You see, that's so as not to conflict with the private sector. When the private sector gets involved, they get involved with our situation through the Corps of Engineers who assess the damage in the different areas.

Initially it was for debris pick up. You cannot imagine the amount of debris that was there. There were roofs, portions of houses, trees, and what have you. So what the Corps of Engineers did then was to bring in additional help from all over the country to assist the corps and they did the contracting out for debris removal principally.

Mr. McEwen. So then what about the other bases that had the other equipment available. Why and how did they have to wait for FEMA?

Mr. Ravenel. The principle one was the Charleston Air Force Base, and they called into our office and they said, "We have these folks available and we'd like to come on into the community."

They did some on their own volition, but there was no massive movements out of the air base into the community because they assumed that there was a glitch between the Governor's office and FEMA. FEMA says, "We cannot move unless we get the request from the Governor."

I'm not making any excuses for the Governor's office, but I think the Governor's office, as was every other agency down there, was just overwhelmed by the enormity of the calamity.

Mr. McEwen. So this is obviously a problem that has existed in every place that we've had testimony so far, specifically in California. Do you have any ideas how to solve it?

Mr. Ravenel. Of course, we were all impressed by the combat engineers who came in from Fort Bragg and from Fort Stewart down in Georgia. They were there almost immediately.

Mr. McEwen. Let's get to the bottom. Were you in the Army?

Mr. Ravenel. No, I was in the Marines.

Mr. McEwen. Fine, go ahead.

God bless the emergency combat engineers. [Laughter.]

Mr. Ravenel. That's right. You're absolutely right. I wish they could have stayed longer. They should have stayed, in retrospect. I wish that the Governor would have requested that they stay for an additional 10 days. The first response, in my opinion, based on the experience that we had down there, the experience that our Congressional office had, and all of us down there because it was a great community effort, was that in a situation like this, the first people to come should be the combat engineers because, as I say, the commanding officers, the people in charge, look for ways to solve the problems as they see them. They don't check with anybody. They see the problem and they solve it. They don't have to check with half the world before they make a move.

FEMA, being a bureaucracy, and naturally moving not as fast as we would have liked, they come in a little later, and are more cautious with the actions that they take. They have to find buildings. They have to find power. They have to have telephone lines installed. They have to get their computers set up. It takes a while for a bureaucracy to move into action.

But I think that all of the combat engineer units that we have receive additional experience in disaster relief. Not only could they come with their chain saws, soup kitchens, and communications equipment, but they could also render some temporary assistance so that FEMA could take over.

Take, for instance, emergency shelters. Had the Army been charged with the responsibility they could have come on in and set up tents all over the area to house and to have fed these people. We've had all kinds of problems with emergency housing.

We got into flood insurance regulations which hindered their bringing their trailers in. You bring them in, put them in on the ground, how soon would they leave? They have to be elevated 14 feet. Would they be violating local regulations insofar as floods are controlled?

Mr. McEwen. You know what, Arthur? That drives you and me up the wall. You know what it does for them? They love it. They say, "Oh, they've got their little regulation." Then it goes to the other guy's desk and he says, "You didn't look at so and so. Did you know regulation so and so?" And then he's happy for the day.

Mr. Ravenel. You don't run into that in the office. If there's a problem, solve that problem.

Mr. McEwen. I asked to get the history on this legislation. I want to go back and reread the legislative history as to how and what the sentiments were whereby we put a Federal bureaucratic agency in charge of disaster. Everybody else in the world calls in emergency forces which are the armed forces—everybody in the world. Why in the world did we choose to bring down these people with their coffee pots, their dried sugar, and all the rest and have them try to decide this stuff? I imagine that they're happy they can swap when they get to come up with all these regulations, but we want to get the job done.

Mr. **Ravenel**. Congressman, they're the only entity that we have in this country to deal with a terrible situation like this immediately. And they did.

Mr. **McEwen**. Thank you, Arthur.

Mr. **Anderson**. Thank you very much.

[Mr. Ravenel's prepared statement follows:]

TESTIMONY OF

ARTHUR RAVENEL, JR.

May 1, 1990

I would like to thank Congressman Anderson for providing the opportunity for me to come before this committee to determine FEMA's effectiveness in South Carolina following Hurricane Hugo.

If ever the federal government should have bent over backwards to mobilize its resources, it was in hurricane-torn coastal South Carolina. The monster storm, one of the most destructive in American history, left 5 billion dollars worth of damage, 20,000 homes in ruins, and 60,000 people homeless. As one federal worker said of the ravaged coastal communities along Highway 17, "They've been nuked." Only as a result of Governor Campbell's bold initiative to order an early evacuation did we avoid a massive loss of life.

The fact that our emergency broadcasting system blew away as the full force of the storm came ashore leads one to wonder what would happen in the aftermath of a nuclear attack. The survivability of these communications systems must be examined. Without them there can be little or no effective emergency operations. In addition to loss of communications, electrical power, an essential component of emergency response and recovery, was lost for a minimum of 2 to 3 weeks in most areas as utility poles for over 100 miles inland were knocked down. This scenario together with the impassable condition of roads and highways due to thousands of downed trees and debris created a logistical nightmare for the delivery of emergency assistance. This was a "worst case" situation for which, in my opinion, FEMA was taken by surprise.

FEMA officials are quick to point out that their mission is to manage state and local emergency preparedness teams. However, it is clear that few states, counties or communities in the country possess adequate resources to cope independently with a disaster the size and scope of this storm. In addition, a close working and planning relationship between FEMA and these emergency organizations, assuming it existed, was not evident.

If it is true, as some people have said, that the category 5 storm was simply too catastrophic to manage, then we ought to look at the option of designating the Army as the first federal agency to respond to natural disasters and turn FEMA into a para-military organization. I want the Governor to be able to say to the President, "All right we have had this disaster, send in the Army." The Army has the critical resources for immediate response such as generators, chain saws, fuel and water tankers, field kitchens, radios and bulldozers. They are revved up to solve the problem. By contrast, it took FEMA a week to 10 days to get set up.

Fortunately, the telephones worked in many areas because the cables were underground. Consequently, our Congressional staff in Charleston received over 3,000 calls during those critical days after Hugo struck. Storm victims were desperate for assistance and information. Over and over we heard the same complaint: "The toll-free number for FEMA is a joke, no answer."

Meanwhile, on September 28, a full week after Hugo crashed into South Carolina, the local Charleston newspaper reported that federal officials would begin arriving the next day to start assessing the hurricane's damage. It is not hard to imagine why people holding candles and wading knee-deep in mud in their living rooms were not impressed.

The incredible thing is that in my District alone, containing only 7 of the state's 46 counties, there are no less than 5 military bases. Any of these could have served as strategic staging areas for FEMA's immediate response. More than one base commander telephoned our office in frustration to say, "Tell Congressman Ravenel I have personnel, equipment and cargo planes ready and waiting, but I can't move without orders from FEMA." Instead, a week after the storm, we have FEMA announcing the opening of the first disaster center out in a suburban area of Charleston. For 7 days, 50,000 people have waited in shelters, had no drinkable water and very little food. On the 8th day, FEMA tells them to get in line and fill out the forms. Ladies and Gentlemen of this committee, there's got to be a better way.

[Mr. Ballenger's prepared statement follows:]

Statement by
The Honorable T. Cass Ballenger
10th District, North Carolina
before
The Subcommittee on Investigations and Oversight
of the
Committee on Public Works and Transportation
May 1, 1990

Thank you.

Mr. Chairman, distinguished members of the committee, I appreciate the opportunity to appear before you today to give you my impression of the recent work of the Federal Emergency Management Agency.

If I were grading FEMA, I would give it a strong B+. Last year, my district suffered the ravages of severe tornadoes in the spring and Hurricane Hugo in the fall. In both instances, FEMA responded swiftly and surely.

To be certain, there were some mistakes made. I believe FEMA learned from them. There were frayed nerves and criticism from elected officials; the intensity of emergency situations will always produce that.

The long lines for assistance shown on the evening news gave the impression that FEMA was ineffective, but that's not what I saw in my district. What I found when I visited Disaster Assistance Centers was a well-organized group of professionals who were dedicated to the task of providing relief to those who had suffered loss.

Applicants were treated with compassion, not herded like cattle as television would make you believe. The lines were kept short because DAC managers worked out a scheduling system. Local officials were consulted for advice and assistance.

I was quite impressed with the FEMA reserve program. This program operates much

-MORE-

like the National Guard: people from various fields are recruited, trained, and placed on reserve status. In times of disaster they are called into service, leaving their jobs and families behind for a few days or weeks of duty. It is impractical and costly to keep FEMA staffed at emergency levels at all times, and the reserve program is an effective solution to that problem. I hope that we will continue to provide FEMA with the resources to continue and strengthen this program.

I want to commend FEMA employees for their exemplary work under the worst conditions, and to publicly thank them for the help they provided to my district.

I would like to suggest some procedural changes, however, that might help prevent the misunderstanding and acrimony that occurred in some locations last year, especially in the aftermath of Hurricane Hugo.

•First, get this word out quickly: FEMA's primary mission is emergency *management*, not emergency *response*. FEMA is not equipped nor designed to provide the immediate, on-the-scene response needed following a disaster. It is, however, well-placed to provide the coordinated management that is needed in the days and weeks following.

•Implement periodic, mandatory training for state officials who are responsible for making application to FEMA for assistance in the aftermath of a disaster. I believe that much of the blame placed on FEMA last year--mainly that it was guilty of bureaucratic foot-dragging--was not actually the agency's fault. From what I and my staff witnessed, much of the problem can be traced to a lack of knowledge on the part of state officials as to what information FEMA needed and what process should be followed to secure a disaster declaration. Once FEMA had the required information, it acted quickly.

•Improve communication with media outlets in rural areas. This suggestion may sound

-MORE-

insignificant, but in some areas of my district, the local newspaper and AM radio station are the only regular sources of outside news. FEMA public affairs officers often relied on fax machines and the Associated Press to spread important information, but many media outlets do not have access to either.

On some occasions, Disaster Assistance Centers were opened without the knowledge of the local populace. I'm sure any local congressional office would be more than happy to provide FEMA with comprehensive, updated media lists.

•Make sure that non-profit organizations are advised of their eligibility for assistance. Many such groups in my district did not learn of their eligibility until all application deadlines had passed.

•Above all, cut the red tape that strangles the financial assistance programs. I realize the federal government's mandate to assure that our tax dollars are spent wisely, and that all reasonable steps should be taken to prevent fraud. However, in times of disaster, the elaborate schemes we have devised to guarantee eligibility cause assistance to arrive at a snail's pace to those who so desperately need it.

In the various individual assistance programs, it is not uncommon for individuals to wait two months or more for aid after their applications are filed. We should do our best to reduce that time to hours, if not days. Insurance companies provide immediate assistance, and we need to devise a system to do the same.

Local governments also complained strongly to me that the paperwork they were required to complete for assistance almost caused all other normal operations to cease for a matter of weeks. The instructions are so voluminous, and the paperwork so lengthy, that private consulting firms have sprung up across the country offering to

-MORE-

complete the forms in exchange for a percentage of the relief.

Something about that whole process seems rather cold and callous to me. If at no other time, the federal government should be able to show trust and compassion to those in need in times of emergency. We should exhibit our confidence that duly elected and appointed public officials in the various local governments are not on the take, and that the emergency assistance they seek will be used for just that--emergency relief.

An audit process after the relief has been allocated would serve the purpose of emergency assistance much better than absolute verification up front.

I hope the opportunity never again arises for FEMA to come to my district. I wish our nation would never again face a disaster and that we could disband the agency altogether.

But the force of nature cannot be harnessed, and natural disasters can be more destructive than war itself. Since we have made FEMA the federal government's first line of defense, it is our mission as Members of Congress to assure the agency has the resources it needs.

Thank you.

Mr. ANDERSON. Our next witness is the Mayor of Charleston, Hon. Joseph P. Riley, Jr. We are pleased and honored to have him here with us today. We've also been informed that he has a 1:00 plane to catch and would like to leave about 12:30 so we'll move it as fast as we can.

[Witness sworn.]

TESTIMONY OF HON. JOSEPH P. RILEY, JR., MAYOR, CITY OF CHARLESTON, SC

Mayor RILEY. Thank you very much, Mr. Chairman.

Members of the committee, I greatly appreciate this opportunity. What I would like to do is to quickly run through some slides to show you, through the slides, some of the aspects of the hurricane and then try to cover two areas, or two basic points.

I would like to say at the beginning that I will not try to reiterate the comments of Congressman Panetta and Congressman Ravenel, each of you I agreed with every syllable and most of which Congressman Ballenger had to say.

(Slides 1-55 referred to begin on page 54.)

(See Slide 1) The hurricane that was mentioned sustained winds of 135 miles an hour and Charleston County peaked at 179 miles an hour. (See Slide 2) We were tracking the hurricane as it basically came off of West Africa and had the opportunity locally to be prepared for what happened. I might add, parenthetically, that the Federal Government had the same opportunity.

(See Slide 3) Charleston, as you know, is a very low lying community. (See Slide 4) We developed, with our other organizations, emergency, operation, and management plans. (See Slide 5) We had our evacuation routes in place. (See Slide 6) The storm hit Charleston and proceeded through South Carolina. Mr. Chairman, 24 of the State's 46 counties were proclaimed disaster areas.

(See Slide 7) You can see here that precautions are beginning to be taken. (See Slide 8) This is our historic city hall. We started boarding that up on Tuesday. The storm hit midnight Thursday. We tried to set a good example for the community for people to make the necessary preparations. (See Slide 9) As Congressman Ravenel said, the evacuation was difficult. We were very pleased, however, that we were successful in convincing the residents of low lying areas to evacuate. If we hadn't the death toll would have been horrendous. (See Slide 10) Businesses started boarding up in preparation.

(See Slide 11) This is the morning after the storm when it was still dark. We headed out to see the greatest destruction in the history of our city. The worst hurricane in 237 years and the peak of the storm which hit 22 miles north of Charleston had an indices of a storm that will occur only once every 500 years. The tide of 20 feet that Congressman Ravenel mentioned was the highest tide reported on the east coast of North America in the twentieth century.

(See Slide 12) This is a broad street one of (See Slide 13) our main streets. (See Slide 14) Market Street in the Historic District, and (See Slide 15) another shot of Market Street. (See Slide 16) You couldn't go more than a block in the city without having to take a detour. (See Slide 17) Cranes blowing off the water and onto streets, probably 100 large boats in various parts of the city. This is a crane that was building a bridge that was blown a couple of miles onto the city and was resting up against a house. (See Slide 18) The boats, as I mentioned—(See Slide 19) we have only one death in our city, which we mourn greatly. But we're so proud. This storm had murder on its mind, and had we not been successful in convincing the citizens to evacuate, we would have had hundreds of deaths.

(See Slide 20) We'll talk about the military in just a moment. (See Slide 21) These are some of the National Guard troops that were on duty. All of our power was knocked out. There was not a live wire within a hundred miles of Charleston. (See Slide 22) All of our street lights were out. (See Slide 23) Every traffic signal that the city owned was destroyed. (See Slide 24) Our traffic signal computerized system costing $2 million was destroyed as a (See Slide 25) roof came off a building and it rained in. (See Slide 26) The debris was phenomenal. Mr. Chairman, 12 to 15 years of debris had to be collected by the city after the storm. It reduced the life span of the county landfill by 17.5 years.

(See Slides 27, 28, 29) These are some of the military units that came. (See Slide 30) This is one of our 14 dump sites in the city. We had to, on an emergency basis, use any available empty lots to put the debris on on a (See Slide 31) temporary basis. We were (See Slide 32) the first city to contract. We opened contracts on a Sunday morning just to save every day that we could.

(See Slide 33) We worked with the power company. They said it would be six weeks to get the power in. (See Slide 34) They brought in another 3,500 power workers and we began to have power in seven days. Every place had power within 17 days.

(See Slide 35) We started an emergency response from around the country. Those were people in City Hall. (See Slide 36) We had volunteers around the clock who worked on the phone lines. (See Slides 37, 38) We had 800 tractor trailer loads of goods and services donated to the city. People from all over the country came. A phenomenal outpouring of support was evident. (See Slide 39) We knew that we couldn't handle that ourselves.

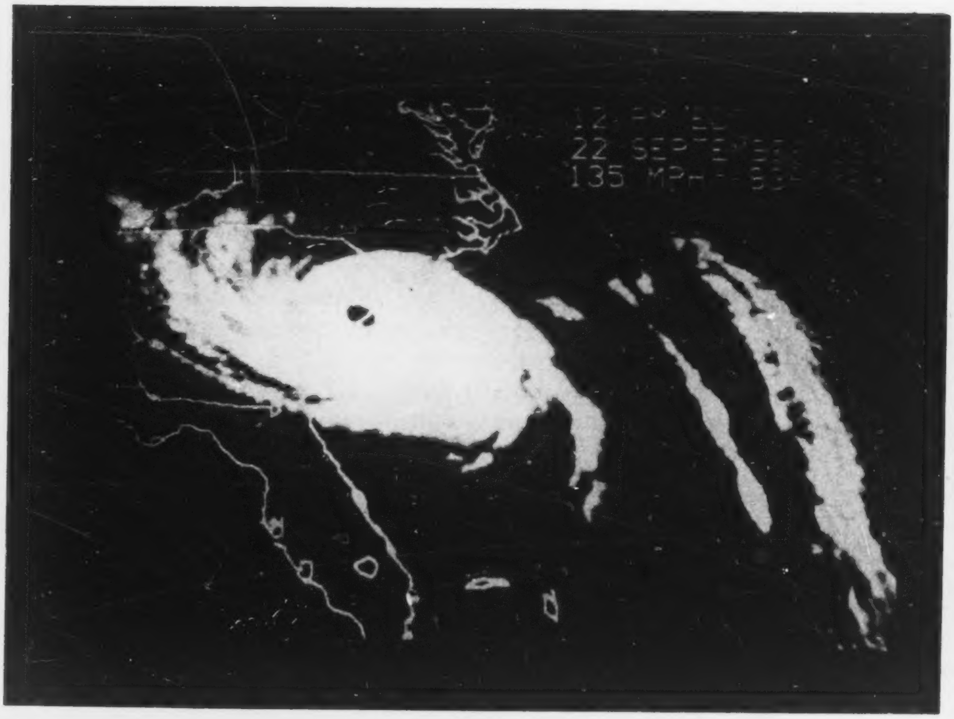
(See Slide 40) Senator Hollings came down. He was just phenomenal as was Congressman Ravenel and Senator Thurmond. They were all so helpful. (See Slides 41, 42, 43, 44) We got the Army—I'll talk about this in just a minute—to help us handle the delivery of the supplies. We needed 400 Army officers to finally get it going because we were serving all of the 24 counties of the State. People knew that Charleston was in the news, we got the help, but we knew that the whole State was hurting.

(See Slide 45) This is one of the bridges to the Barrier Islands knocked out. (See Slide 46) They were unreachable and only served by barges. (See Slide 47) There was extraordinary devastation. Martial law was declared. (See Slide 48) There were checkpoints. (See Slide 49) People couldn't get there.

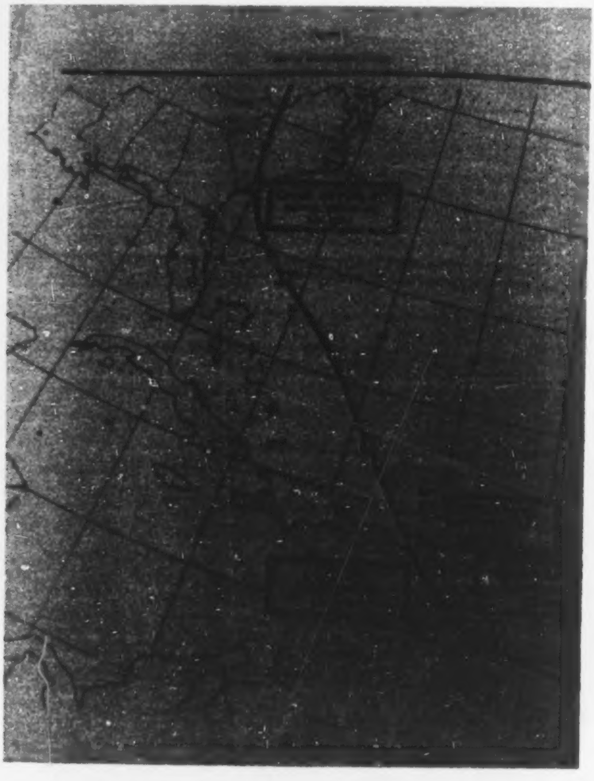
(See Slide 50) This is the top of the steeple of St. Michael's. It was bent but not broken. The (See Slide 51) city, with great courage, and its citizens, came back very strong. We lost 3,400 housing units in the area. (See Slide 52, 53) We got a lot of help from around the Country.

(See Slide 54) This is one project where we worked with Habitat for Humanity. This was started on H street. We changed the name of H Street to Hope Street on Good Friday. (See Slide 55) The units were open for the citizens.

[Slides 1-55, with captions follow:]


12 AM
22 SEPTEMBER
135 MPH

Slide 1. Picture of Hugo at Midnight as It Was Over Charleston

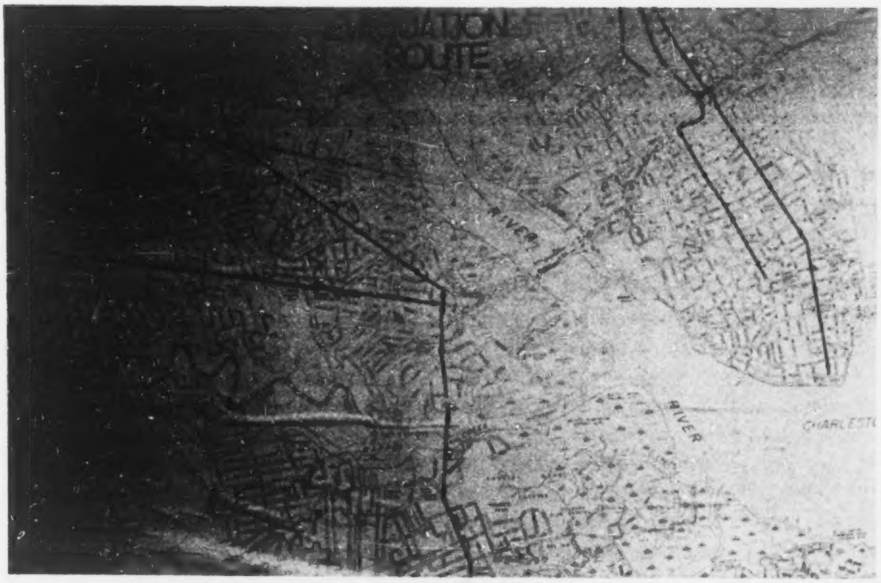


Slide 2. Tracking of Hurricane Hugo in the Atlantic

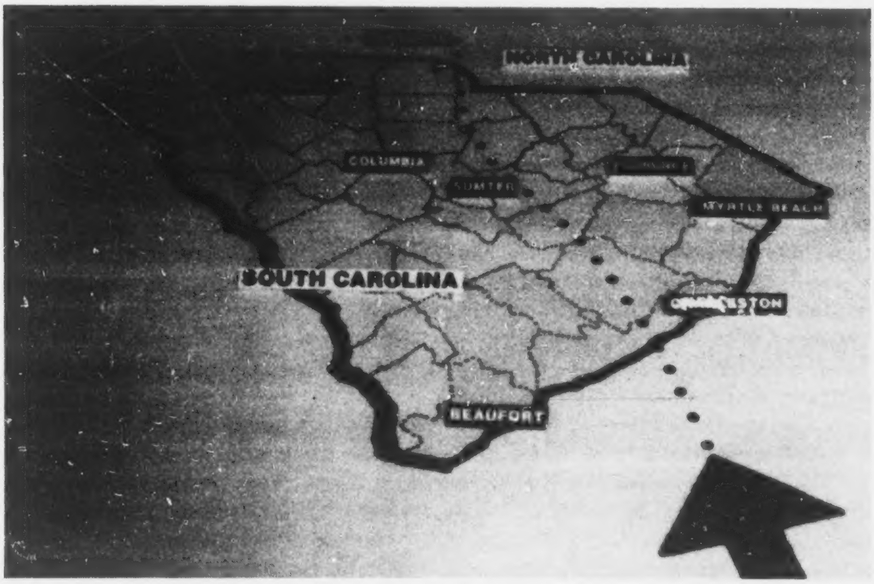
SLIDE 3. PENINSULA OF CHARLESTON AT BATTERY

EMERGENCY
OPERATIONS PLAN
COUNTY OF
CHARLESTON SOUTH CAROLINA

SLIDE 4. OPERATIONS PLAN


UATION
ROUTE
RIVER
RIVER
CHARLEST

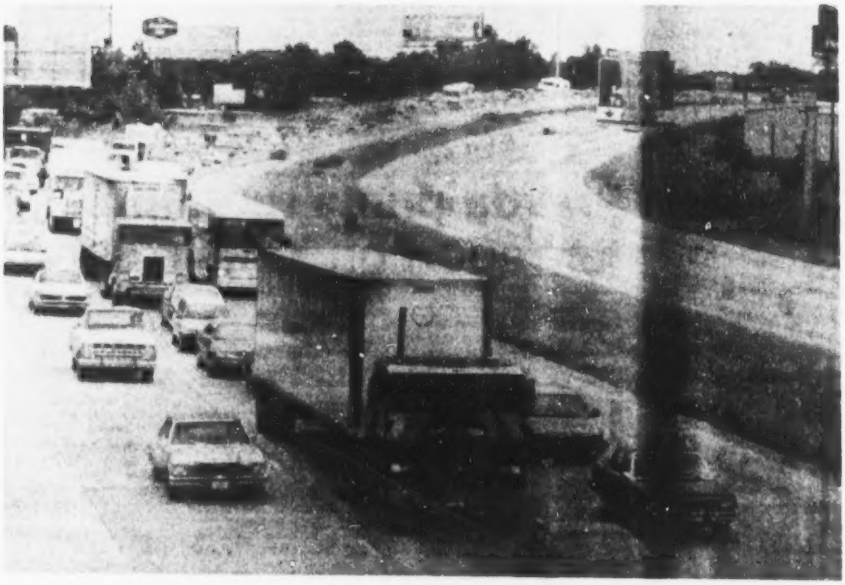
SLIDE 5. EVACUATION ROUTES


NORTH CAROLINA
COLUMBIA
SUMTER
MYRTLE BEACH
SOUTH CAROLINA
CHARLESTON
BEAUFORT

SLIDE 6. COURSE OF STORM THROUGH STATE

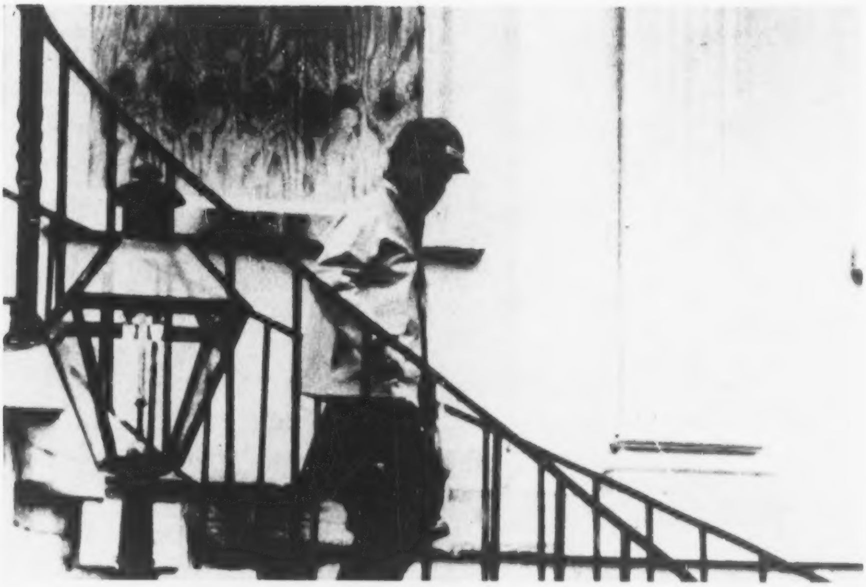
Slide 7. Battery of Charleston Boarding Up Windows

Slide 8. City Hall, Boarding Up Windows, Emergency Generator



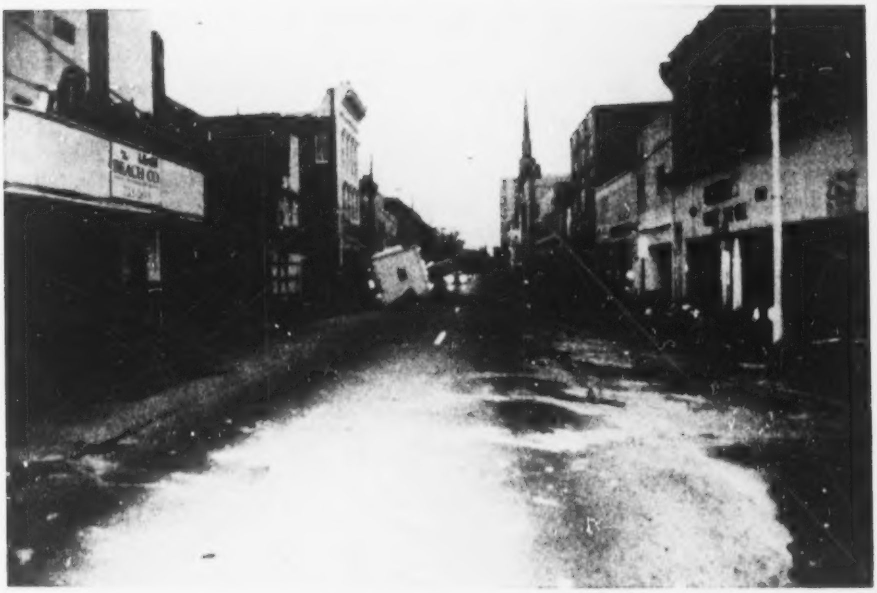
Slide 9. Evacuation I–26. Thursday Morning

Slide 10. Boarded Up Buildings on Meeting Street

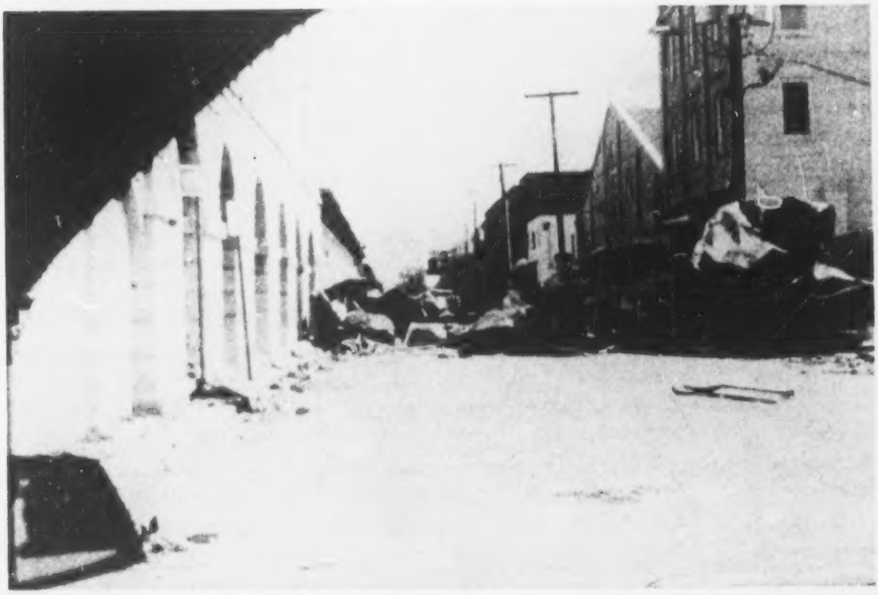


SLIDE 11. CITY OF CHARLESTON EMERGENCY RECOVERY COORDINATOR, HOWARD R. CHAPMAN LEAVING CITY HALL MORNING AFTER STORM

SLIDE 12. BROAD STREET CHURCH



Slide 13. King Street

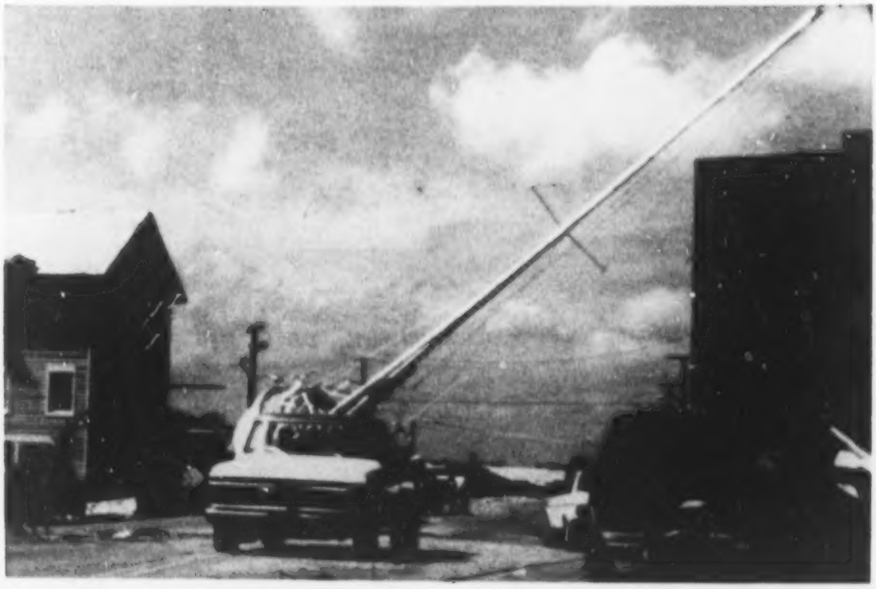


Slide 14. Market Street

SLIDE 15. MARKET AT CHURCH STREET

SLIDE 16. LOCKWOOD DRIVE, PART OF BARGE

Slide 17. Crane at Other End of Barge



Slide 18. Lockwood Drive Boats

Slide 19. Death Certificate

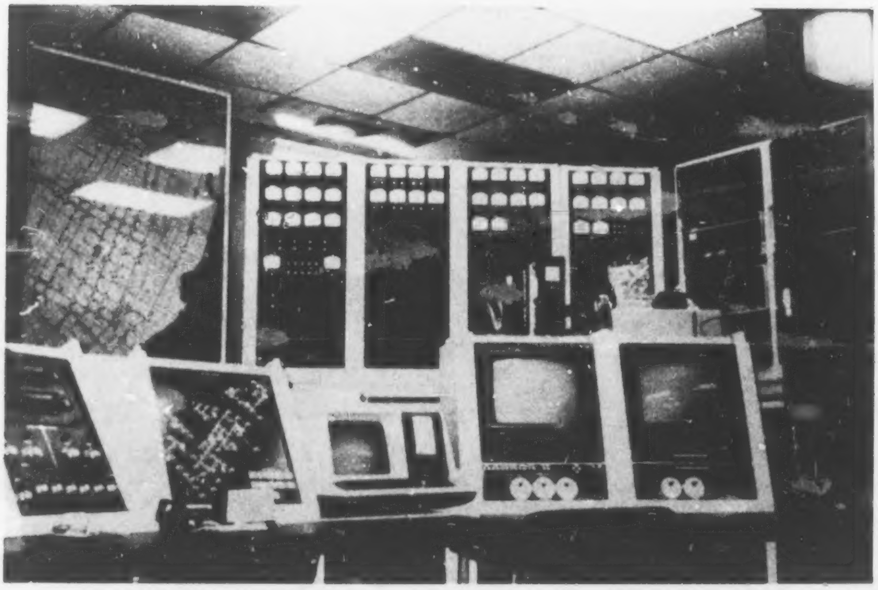
Slide 20. National Guard Troops

JACKSON & DAVENPORT
OPTICIANS

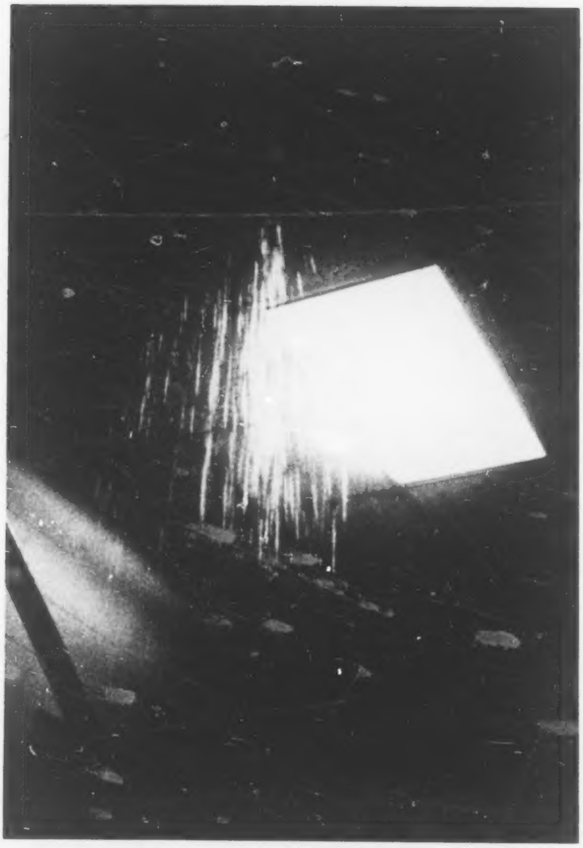
Slide 21. National Guard Troops Man Intersections

Slide 22. Traffic Signals on the Ground

Slide 23. Traffic Signals on the Side



Slide 24. Charleston Traffic Control System Destroyed by Storm



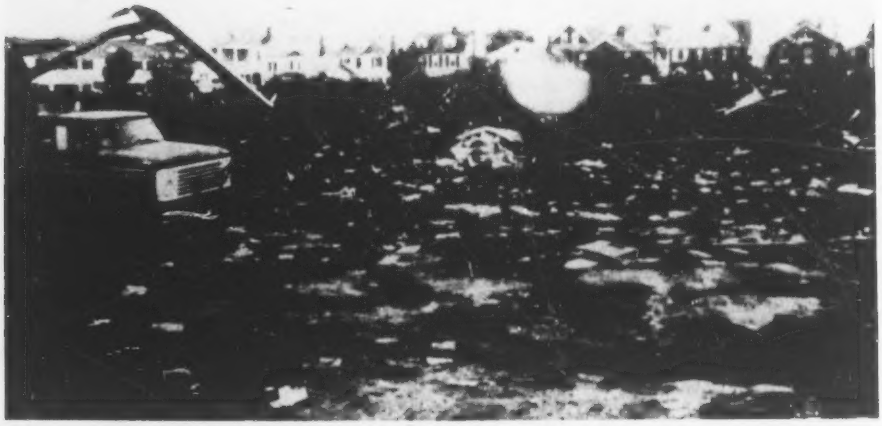
Slide 25. Rain Pouring Into Traffic Control Center

Slide 26. Large Trees Destroyed by Hurricane Hugo

Slide 27. Military Crews Helping To Pick Up Debris

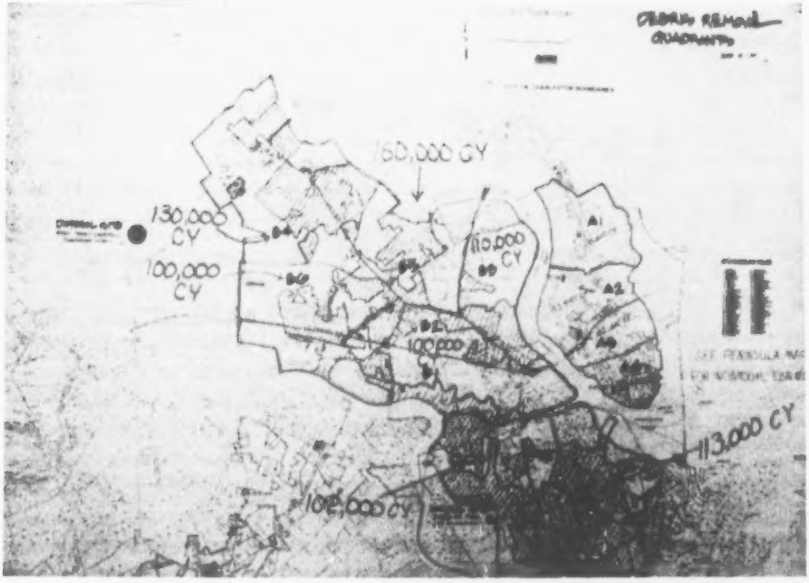
Slide 28. Large Amounts of Debris

Slide 29. Equipment Needed for Debris Pick Up



Slide 30. Emergency Dump Site Within the City

SLIDE 31. CHARLESTON COUNTY LANDFILL


DEBRIS REMOVAL QUADRANTS
150,000 CY
130,000 CY
100,000 CY
110,000 CY
A1
A2
100,000
113,000 CY
102,000 CY

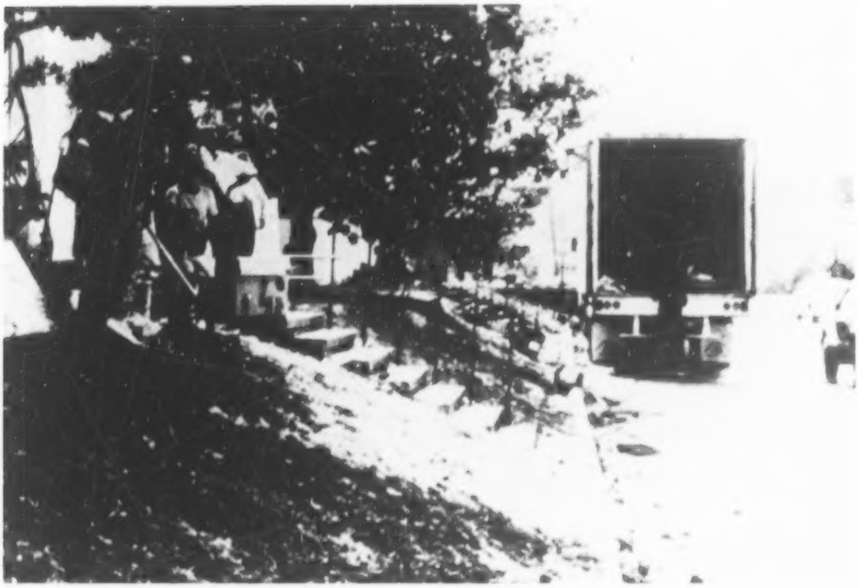
SLIDE 32. PLANS FOR DEBRIS REMOVAL CONTRACTS WITHIN THE CITY

Slide 33. Power Companies Working To Restore Power

Slide 34. Power Companies From Other Communities Coming To Charleston To Help Restore Power

Slide 35. Residents in Need of Supplies

Slide 36. Volunteers Manning Phone Bank for Charleston Disaster Relief Program



Slide 37. Volunteer Disaster Relief Program in Auditorium

Slide 38. Volunteers at Auditorium Helping With Disaster Relief Program

Slide 39. Lines at Volunteer Disaster Relief Program

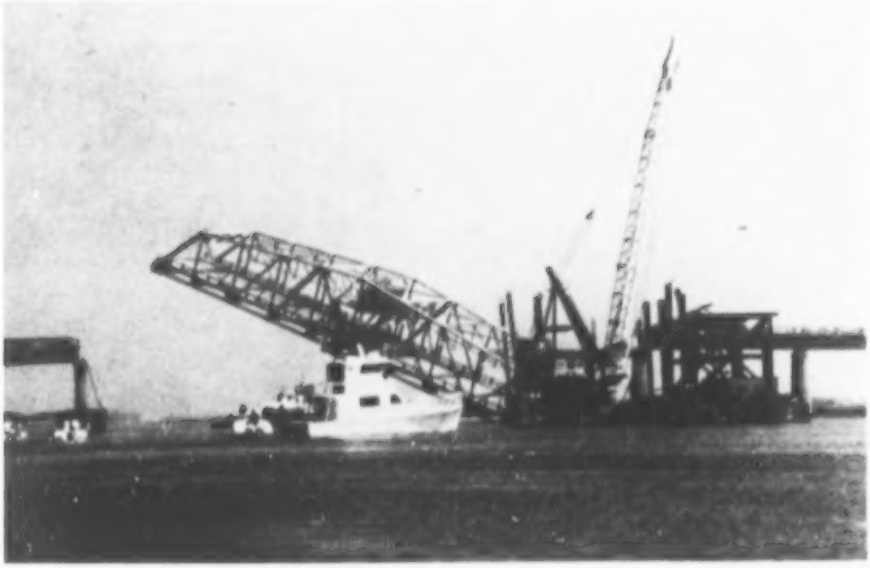
Slide 40. Senator Ernest F. Hollings and Wife, Petsy With Mayor Joseph P. Riley, Jr. Discussing Need for Military Personnel To Help With Distribution of Supplies

SLIDE 41. TROOPS FROM FORT STEWART, GEORGIA, QUARTERMASTER COMPANY ASSISTING WITH DISTRIBUTION OF SUPPLIES

SLIDE 42. SUPPLY DISTRIBUTION BY FORT STEWART PERSONNEL

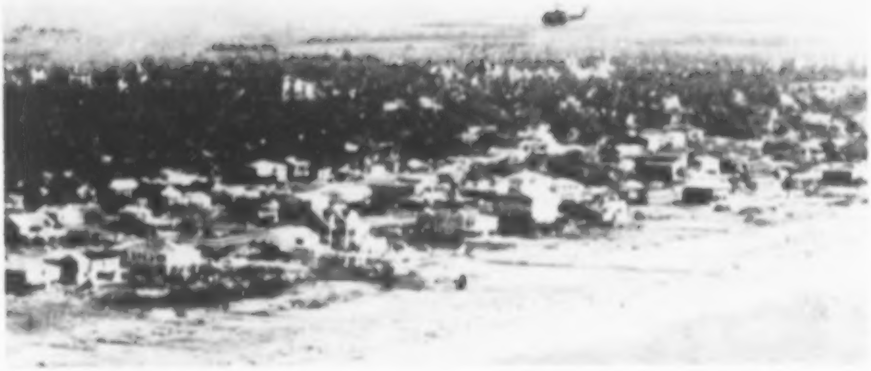
SLIDE 43. SUPPLY DISTRIBUTION BY FORT STEWART PERSONNEL

SLIDE 44. U.S. NAVY PERSONNEL ASSISTING WITH DISTRIBUTION AT THE AUDITORIUM

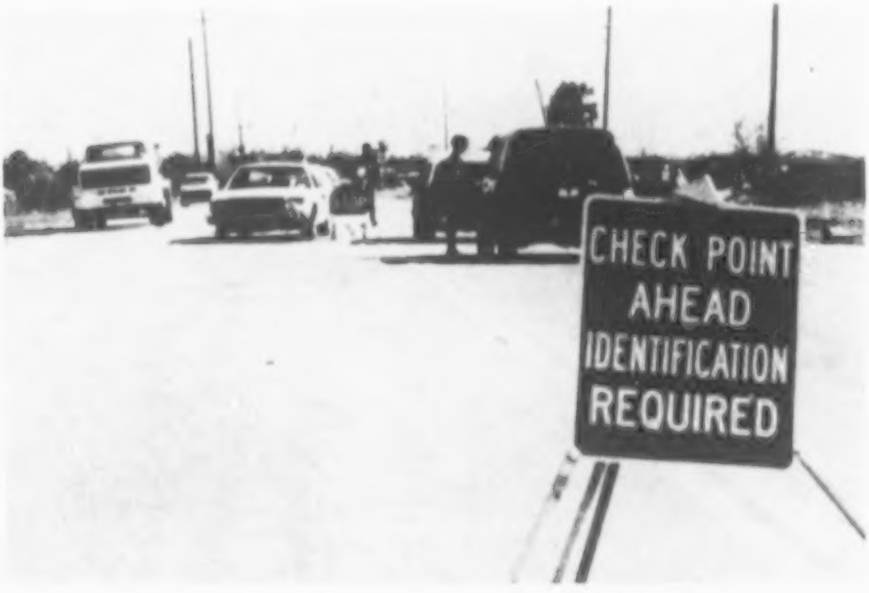


Slide 45. Ben Sawyer Bridge From Mt. Pleasant To Sullivan's Island

Slide 46. Emergency Ferry Service Set Up by U.S. Army Corps of Engineers Between Mt. Pleasant and Sullivan's Island and Isle of Palms



Slide 47. Helicopter Flying Over "War Zone" To Folly Beach



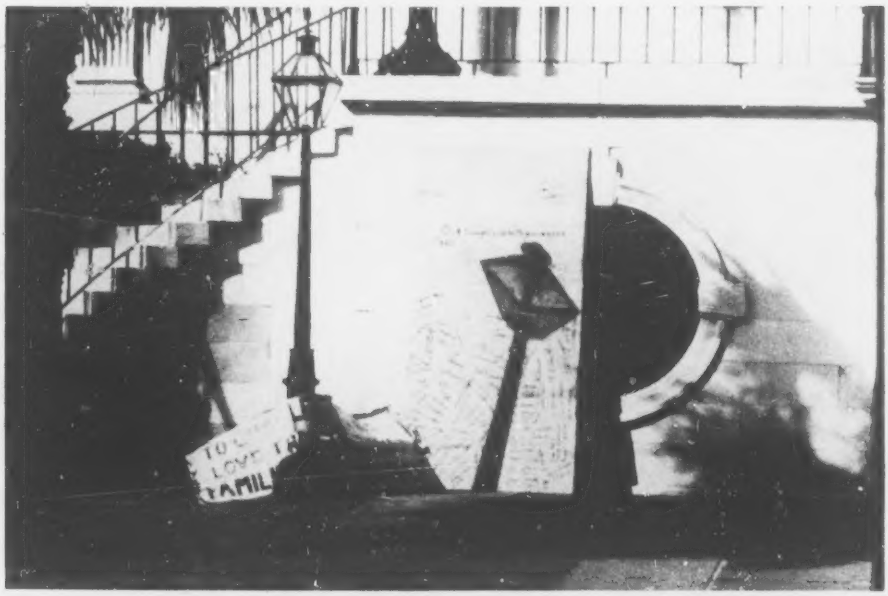
CHECK POINT
AHEAD
IDENTIFICATION
REQUIRED

Slide 48. Check Points Set Up at Sullivan's Island

SLIDE 49. WILD DUNES RESORT ON ISLE OF PALMS DEVASTATED BY STORM AND NOT REOPENED UNTIL SEPTEMBER 1, 1990

SLIDE 50. STEEPLE AT ST. MICHAEL'S CHURCH

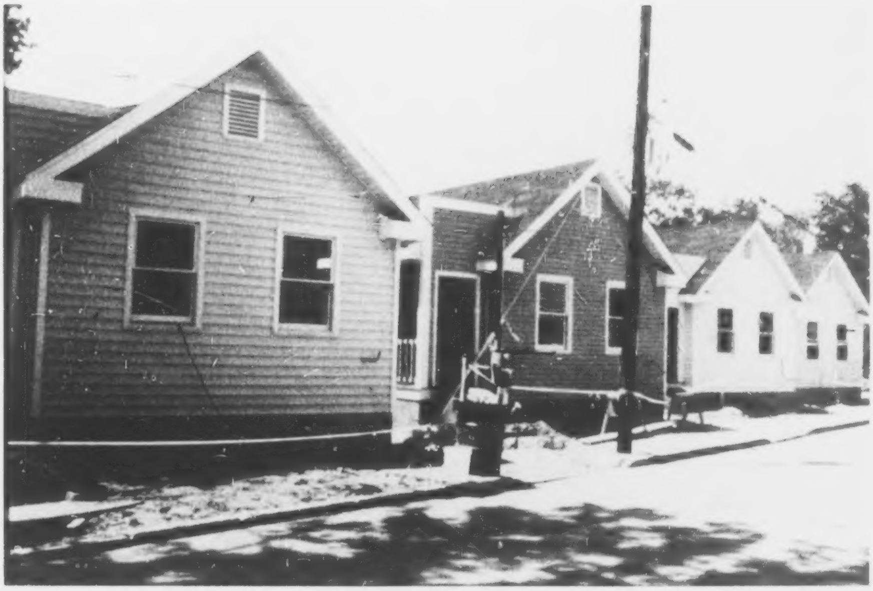
SLIDE 51. DEDICATION CEREMONY FOR H STREET PROPERTIES


TO
LOVE
FAMIL

SLIDE 52. BUILDING SUPPLIES SENT FROM THE GREAT NORTHWEST

SLIDE 53. BUILDING SUPPLIES SENT FROM THE GREAT NORTHWEST TO HELP H STREET PROPERTIES

SLIDE 54. H STREET PROPERTIES UNDER CONSTRUCTION



Slide 55. H Street Properties Substantially Completed

Those are the slides. The two basic points that I would like to make, if I could, the first being that so many people in FEMA who came to help us were terrific. I think that our national Government should be very proud that we have a Federal Emergency Response System. Certainly many countries in the world don't have them. If we don't have it and a disaster like this hits, the citizenry and the local governments couldn't begin to cope with them.

But what is needed that does not now exist, first of all, is a proactive, hands-on, immediacy attitude that begins before the hurricane hits. My observation as a public administrator has been that one of the problems is that FEMA's life span goes with disaster, which in our instance will probably be about 12 months. But almost all of that time, a reasonable posture would be one of an assessment, a request, a consideration, an analysis, a decision, and the providing of relief.

When a disaster like this hits, it's like being at war. When you have no power, no water, no stores open, 3,400 houses have been destroyed, 15,000 damaged, 75,000 people homeless, it is not time for an assessment. What the Federal Government needs to do is to change the situation so that in the immediate days—and I think it's best handled by the Army—someone is in charge who hates paperwork and who sees it as a challenge to provide whatever is needed.

This could have happened with Hugo. You knew that it was coming. There was a high pressure system off the northeast United States and all the weather bureau people said that it was going to hit from mid-Florida to North Carolina. What someone should have done was to get the military and a couple hundred water trucks with their gas tanks filled ready to head to wherever it hit. We should have had several thousand generators that our Federal Government has in the various military installations on flat bed trucks ready to send.

One of the things that I've observed, and the point about the relationship—and I think, Congressman McEwen, this has been troubling you—is that it looks great on paper. Ideally you've got the State Government, the Governor's office, and that chain of command ready and FEMA is kind of over here as an advisor. But FEMA should be the experts.

Hopefully and statistically South Carolina will not have another disaster of this magnitude for another 20 or 30 years—of this magnitude maybe 100 years. But there will be different Governors, different administrations, and different local people. But FEMA, every year, will have several of these opportunities to hone their skills and be experts.

One of the things we learned was that after the storm one of the things we needed badly was disposable diapers. Every store was closed. If you had money, you couldn't go to the store. Parents of young children don't use cotton diapers any more. You couldn't buy disposable diapers.

That's another thing. You know the morning after the storm, a very fine FEMA representative came to city hall. In fact, he came the night of the storm and he was with us. His key nuggets of wisdom to me was that the most important thing was to document all expenses. What we needed was someone in a camouflage outfit with radios hanging all over him knowing where every generator in the southeastern United States, or the Army has, or the Marines have, and all of that, and ready to bring them in.

I wasn't acting extrajudicially, but I knew that people were looking at Charleston, but we had all these smaller communities that were hurt. So one of the things that I said was that we needed a lot more generators. The FEMA representative asked if we had done an assessment. There's no power, we have 75,000 people homeless, and very little communication. There is no power within 100 miles.

You have a few things that happen. I told him that of course I had not done an assessment, but the worst thing that could happen would be that we would get a few more generators than we need and maybe one or two of them would get rusty.

We finally got the generators out. I sent 44 generators to Berkeley County just to set up a sewage system. They didn't have generators. The sewage system couldn't work.

My sister calls me—all of my family had evacuated—she left a message that her college roommate was a mayor of a town where Camp LeJeune is and gave me the name of the commanding general of Camp LeJeune because they have a lot of equipment.

I called Senator Hollings and I said, "Senator, you know that we really need to get the military down here. I understand that the marines would be ready. I have this number." But he said, "I don't mess with the Camp LeJeune fellahs. I'll call the general from Fort Gordon."

A few minutes later, Senator Hollings calls me back. He gets the general, they send a marine general down there, and in a day I have all these units coming from Camp LeJeune. Now this is a Mayor working—maybe not in the normal chain of command—but trying to get stuff moving. I'm being told to document expenses. We finally get the wonderful marine group and we send them to McClellanville, the fishing community that Congressman Ravenel talked about. They were devastated. That's where you had the 20 foot tides. Every home was damaged with most of them destroyed. That was just what was needed, a military unit with generators, water, big pieces of equipment ready to be hands on.

What should have happened was that the Seabees should have been sent to the Barrier Islands the next day. You knew it was going to happen and you could have sent them down there and set up camp. They operate in that kind of a situation.

So what is needed is whatever statutes or regulations are needed so that in the early moments of a disaster like this there is that proactive response. I personally feel that it should be in the military.

One of the problems is—and I found this most distressing—one of the problems is that if you have the 75/25 requirement, you could be hit with 25 percent of the costs of the military unit's expenses while they're coming in. That's absolutely crazy. It's already paid for. These are taxpayers of the United States of America that are receiving this. For a local Government to worry about, "Holy Mackerel, I wonder what the actual cost of this unit from Camp LeJeune or Fort Gordon is? Can we afford that?"

That's crazy. What it ought to be is a hold harmless period which you could relate to the degree of the disaster that says for the first week or ten days it's a different time. It's a proactive time. We want to get all the stuff there. We'll start doing the counting 10 days afterwards and maybe they'll send a few more water trucks. That's okay, but that is really a serious problem and needs to be corrected.

It may well be that FEMA, all of its activities, should be put into the military because they have the resources. I feel that if that doesn't happen, organizationally, FEMA should be put within a cabinet secretary's jurisdiction. I think it's too easy for it to become a stepchild agency. Whether it's commerce, transportation, labor, or someplace. If it's not in the military, I really think it needs that help.

The second point is the application process and the bureaucratic red tape as it affects local Governments that is tragically unnecessary. We are American citizens. We are duly elected. This isn't foreign aid to a Banana Republic Government. We are American citizens and everyone—the thing about a hurricane is—everyone, all of my staff, everybody who lives in the area have all had damage. We've all had the experience of working with the private insurance adjusters. That's the private sector. That's where they have to look out for the bottom line.

Without question the private insurance adjusting process is easier, less bureaucratic, more generous in terms of not nitpicking and penny-pinching, and here you have these local governments trying to pull it back together and we are being drowned by DSRs, Disaster Survey Reports.

Our people calculated, about a month after the storm—maybe we projected it more than it should be—that in terms of our FEMA paperwork, it could produce for the City of Charleston 10 million pieces of paper. Let's say that we exaggerated and it's just a million pieces of paper. Let's say that it's 100,000 pieces of paper. Why in the world would we develop a bureaucratic process that would lay that burden on an already strapped local government to receive funds that its taxpayers helped to pay for?

I think, again as a public administrator, I figured out what happened. What you have is that someone designed a pretty good foolproof system of an application, if there was a disaster, to where you could make sure that no money was wasted. It's very thorough. If you just had one or two of those that would be fine. But in a disaster like this where you have thousands of DSRs, it just makes no sense. It is all the Federal programs that we're involved in including housing, community development, UDAG, UMTA, and all the others. There's nothing that compares to it. It's just totally out of the realm of possibility and the documentation is difficult.

I'm almost finished.

The people that were sent down to analyze were all very good people. They were very hard working people. My feeling is rather than use retirees, you should get Departments of the Federal Government and have people cross-trained in specific aspects of FEMA. We had people coming down to look at buildings. We had one engineering person who looked at a building who didn't know what a parapet wall was. Our engineer said that he saw a crack in the parapet wall and he said, "What is a parapet wall?"

So we had great differences of opinion on the damage. In one building which I mentioned in my written testimony, the Visitor Reception Center that we had under construction, we think the damage is $814,000 and they say that the damage is $143,000. That's the kind of spread. What you're told is that before you let go of the DSR, there has to be agreement at least on the scope of work. If you do work that isn't in that DSR, you do it at your own peril.

I'll tell you what happened. We had 14 dump sites where we had to bring in all the debris on temporary locations to move them out to the landfill. You couldn't get around the city. It was an emergency. So we had to use playgrounds.

I saw a child at an Earth Day thing we had—and I'm almost finished—two weeks ago, a little boy, I know his mother, and I said, "Are you playing baseball this year?" He said, "No." I asked, "How come?" And his mother said, "You know the playground near us hasn't been fixed up yet. It was a dump site."

So I called and I said, "For crying out loud, we have to have that field ready for summer." Well, this is the problem. What FEMA has said is that with that dump site, we have to agree on every element on the part that was damaged before we can proceed with just fixing up the field. In other words, fences destroyed, trees broken, and lights. But what we want to do is just go in and get the field ready, grass it, crown it, and clean it up so that you can play on it. But we're told that we have to have everything ready.

I told my people, "Fix the field." If it ends up costing us money, then I'll explain that to my taxpayers, but I'm not going to sit around and not have our kids play baseball because of some kind of bureaucratic bologna. It just is far more—it's just something that's reasonable in a limited way being carried to extremes and it's unreasonable.

In conclusion, as I said at the beginning, we should be proud that we have a system. With Hugo it was put to the test. We should look at this just completely positively and use this as an opportunity to make it better.

One thing we know for sure, and the demographers will tell you, that an increasingly larger percentage of Americans will live near the coast. I think there's some statistic like 20 percent or 25 percent of the American population will live within 50 miles of the coast, or something like that.

Well, one thing we know for certain, the greenhouse effect or not, is that we will have these hurricanes. But increasingly, when they hit, they will hit areas that are more densely populated. We would be remiss, all of us, as citizens, if we didn't use this opportunity to fine-tune and better hone our system so that the next time it hits—and we know it will—and it hits more people, we're in a better situation to provide for them.

Thank you very much.

Mr. **ANDERSON**. Thank you, Mayor Riley. Before I ask my questions, former Mayor Norm Mineta has to be someplace else very quick. So we'll let you ask two quick questions before you go.

Mr. **MINETA**. I appreciate this very, very much, Mr. Chairman. Mr. Mayor, it's very good to have you before us.

Do you have an Office of Emergency Services or something like that the same as you have a fire department that's stand by? Do you have some person in your administration who is a stand by emergency coordinator?

Mayor RILEY. Yes, we do. We have a designated person and he works in conjunction with the County of Charleston Disaster Preparedness Agency.

Mr. MINETA. Have they ever had any field exercises simulating some kind of natural disaster that you might be facing?

Mayor RILEY. Yes, they have. We have a book of steps and a very thorough manual on how to go about it.

Mr. MINETA. This is an occurrence where the weather service started to track this storm as it came off the coast of Africa and watched it all across the Atlantic. Maybe they didn't know the precise route, but they knew within a certain envelope as to when and where it might be striking.

Mayor RILEY. That is correct. And the thing is to be sure—you're not to labor it—a potential for any hurricane that heads to the east coast as opposed to the gulf is that it can turn out to sea. It can make a northward movement, the way that the jet stream moves, and there's a great tendency that if it gets in the gulf it's going to hit someplace near Mexico. But everyone knew that that option was out because of the stationery ridge of high pressure that wasn't going away.

Mr. MINETA. At that point, did either FEMA contact you folks to say, "Okay, if you need any assistance, let us know," or did you contact FEMA saying, "Hey, this thing might be heading our way. Can you start doing some preparedness work or placing of supplies before it strikes?"

Mayor RILEY. We didn't make that request and they didn't contact us. We didn't make that request, frankly, because we were doing everything that we could to get ourselves ready. The main thing was evacuation. That sounds easy now, but to convince people that are likely to say, "I've been through that stuff before", or poor people in housing projects and that kind of stuff. Every minute that we had needed to be devoted to getting people safely out of their homes and getting them into the emergency shelters and getting shelters opened up.

Mr. MINETA. Thank you very much, Mr. Mayor.

Thank you, Mr. Chairman. I appreciate it.

Mr. ANDERSON. Mayor Riley, FEMA says that the military is more expensive than local resources and with cost-sharing you should share that expense. Do you still think that the military should be used? And do you think that the military should provide its service at no charge?

Mayor RILEY. Very definitely yes to both questions. They have to be used. They have the skills and it certainly should be at no charge to the taxpayers because we're already paying for it. I think you can divide this into two periods of time. There is a time beyond which the military shouldn't be used. When your period of dire emergency is over then the private sector can really take up what is needed.

But I'd like to say one thing about the military. We've dealt with thousands that came in. They had smiles on their faces. They were proud to have the opportunity. They were serving their Country. They were proud because rather than doing a drill or field exercise, they were really helping people. It was a marvelous community relations thing for the military. They were doing something that was needed and the community really appreciated it greatly.

Mr. Anderson. Why was FEMA reluctant to set up additional Disaster Assistance Centers, DACs? Isn't it true that the five original DACs were all in Charleston County? In other words, how did you get FEMA to open up more centers?

Mayor Riley. Well, we contacted them, worked with them, complained, and our Congressmen and Senators did as well. It's amazing that even when they expanded the DACs—I don't know if you're familiar with the city of Charleston, Congressman. Have you ever been there?

Great. Well, the city of Charleston, a great bit of it, is an old peninsula. There was not a DAC in the peninsula. That's where most of our low income people live. That's where most of the public transportation exists and there wasn't one in there. I finally went to them—we had a hotel that had been closed—and got Prudential, which had the mortgage on it, to agree to let FEMA—and that ended up being the last one to close. It was the most successful one. It was the most heavily used and the most accessible, but it wasn't one that was originally planned to be set up. I never did quite figure that out.

Mr. Anderson. In other words, you didn't figure out why FEMA was reluctant to set up additional disaster centers?

Mayor Riley. No, sir. I really don't think—in fairness to all good people—they really didn't understand the magnitude of what had occurred.

Mr. Anderson. Why did FEMA procrastinate in using the Army Quartermaster Corps and how did you finally get access to that resource?

Mayor Riley. Well, that was very interesting. I'm not sure whether the governor's office didn't appreciate the need or if FEMA didn't think it was necessary. We knew it was necessary because we knew about all these goods and supplies we had coming in. We ended up having 800 tractor trailer loads and we ended up needing 400 Army people, wonderful Army people, one of which has since received a decoration for the work he did there.

I don't understand exactly why, but to show you how it works, Mr. Chairman, I called Senator Hollings and he knew we had all these supplies coming in. I told him that we were going to need some kind of military unit that is in supply. I said, "We hear that in Fort McPherson they have access to some." We just had to kind of find out where it was.

To get to the bottom of it, he started at the top and called General Powell. General Powell calls whatever at McPherson to get it lined up and it's ready to go. General Powell called Senator Hollings back and said, "Senator, I thought we had everything worked out, but we weren't able to get clearance from FEMA."

So you had the Chairman of the Joint Chiefs of Staff unable to spring loose the quartermasters. The thing about the ideal—you've got this ideal chain of command that says, "You know now, FEMA is kind of an advisor to the State so we'll use the State." But in the real world that's like having a football team that practices regularly and has several championship games a season. They've got their plays down great, and you say, "No, we're not going to use that championship team. Instead we're going to run this other team that hasn't had any plays this year."

It should be a system where if General Powell understands that there might be a need for the Army Quartermaster's Corps to provide services to a disaster, that they ought to be able to be sent. There shouldn't be any 25 percent cost sharing as a part of it.

Mr. ANDERSON. Mr. McEwen?

Mr. McEWEN. Thank you, Mr. Chairman.

Mr. Mayor, let me say to you that I thank you very much for your testimony. I understand that you need to get out of here in a good ten minutes.

Mayor RILEY. Yes, sir.

Mr. McEWEN. I would say that your performance during the time—and having watched you from afar—you're just exactly what people would want.

Mayor RILEY. You're very kind, sir.

Mr. McEWEN. You don't understand why we need to shift the papers back and forth when we can just get the job done, and that's a man after my own heart. I just want to thank you for coming up here and thank you for what you did for your city, first of all.

Mayor RILEY. Thank you, sir.

Mr. McEWEN. I drove through there last week. I also want to thank you for your testimony and your recommendations.

You make repeated references, however, that FEMA just didn't seem to understand the magnitude of the problem, or that FEMA didn't understand the difficulties that you faced, or FEMA didn't understand—my frustration is that if anybody ought to understand it ought to be FEMA coming up to the Mayor who's never had a disaster before, who got elected on the basis of whether or not he could run the city, not on whether or not he could turn around the world's most violent hurricane. They ought to explain to you, here's what we need to do, here's how we're going to set it up, and here's——

Mayor RILEY. That's right.

Mr. McEWEN [continuing]. And the idea that you have to bang them over the head with a sledgehammer to get their attention is more frustrating to me than I ever expected it to be in this hearing, I'll tell you that. I've talked about this with a lot of people. I have many good friends over at FEMA. I thought personally that they had been doing a much better job than is apparent. It's a real source of frustration.

And I'm beginning to believe, as this hearing progresses, that this thing is really fouled up. You can't make a silk purse out of this. As long as you have the Chairman of the Joint Chiefs of Staff who can't even deliver American personnel or products that were purchased by the taxpayers for people in need because of some FEMA bureaucrat, then somewhere along the line this thing is drastically disoriented.

I hope that we'll be able to correct it. Your testimony is a big help to that. Would you like to respond to that at all?

Mayor RILEY. Thank you very much.

Mr. McEWEN. Let me say also, you mentioned about the DAC that you suggested on the peninsula.

Mayor RILEY. Yes, sir.

Mr. McEWEN. Who chose those? Were you consulted at all? How does FEMA decide where they're going to put the DACs?

Mayor RILEY. I think, in fairness, they worked with the county and those times are very disorganized, but FEMA makes the final decision. No one called me and said, "Mayor Riley, do you think these are the best locations for DACs?" Nobody ever did that, and I wasn't very hard to find. [Laughter.]

Mr. McEWEN. Thank you, Mr. Chairman, very much.

Mr. ANDERSON. Thank you, Mr. Mayor.

Mayor RILEY. Thank you, Mr. Chairman.

[Mayor Riley's prepared statement appears on page 123.]

Mr. ANDERSON. It has been suggested that because one of our members has to go someplace right now, that we take a lunch break until 1:15.

[Whereupon, at 12:15 p.m., the subcommittee recessed, to reconvene at 1:15 p.m. the same day.]

AFTERNOON SESSION

Mr. BORSKI [assuming chair]. The subcommittee will come to order.

Our final panel today consists of representatives from the General Accounting Office. Mr. John Ols, Director of Housing and Community Development Issues, is accompanied by Mr. Frank Subalusky, Assistant Director.

Although GAO has not yet completed their investigation or final report on the Federal response to these two disasters, they have agreed to testify on their interim findings to date.

We appreciate your testimony today.

[Witnesses sworn.]

TESTIMONY OF JOHN M. OLS, JR., DIRECTOR, HOUSING AND COMMUNITY DEVELOPMENT ISSUES, RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY FRANK SUBALUSKY, ASSISTANT DIRECTOR; SIGNORA MAY, EVALUATOR, ATLANTA REGIONAL OFFICE; THOMAS A. REPASCH, JR., SENIOR EVALUATOR, NEW YORK REGIONAL OFFICE; AND DON PORTEOUS, SENIOR EVALUATOR, SAN FRANCISCO REGIONAL OFFICE

Mr. OLS. Thank you, Mr. Chairman. I know it's been a long morning and what I'd like to do is to briefly summarize my statement if the full statement would be incorporated into the record.

Mr. BORSKI. Without objection, it shall.

Mr. OLS. Before I start, I'd like to introduce a couple of other members that we brought to the table today. To my left is Signora May, who is in charge of our work in South Carolina and North Carolina, to her left is Tom Repasch, who is in charge of our work in the Virgin Islands and Puerto Rico, and to my far right is Don Porteous who is in charge of our work in California.

We started this work back in January, looking at all three of those locations to get a comparison/contrast of what was going on as the Federal response was emerging.

We are pleased to be here today to discuss our ongoing work regarding the Federal Government's response to recent natural disasters, Hurricane Hugo, which occurred in September 1989, and the Loma Prieta earthquake in October 1989.

As you know, we are conducting a broad-based review of the Federal Government's response to these disasters. In addition to your request, we have been requested by several other Committees and subcommittees as well as individual Members of Congress to review the performance of FEMA. When a disaster occurs it takes a coordinated effort of many entities, Federal, State, local, and volunteer organizations to address the needs of the community and the victims affected by the disaster.

After the hurricane and the earthquake, response organizations at all levels were challenged to their limits to provide the services and supplies needed to help victims and to rebuild housing and public facilities. Once the President declared the disaster areas, FEMA assumed its authorized role for coordinating the relief efforts of the various Federal agencies. This is a major undertaking for any disaster.

Historically, FEMA has responded to an average of 23 disasters a year. In an average disaster, about 2,000 individuals and families seek Federal disaster assistance, and FEMA spends about $10 million. In contrast, during the hurricane and the earthquake, about 400,000 individuals and families sought disaster assistance. According to FEMA, estimated expenditures from the President's Disaster Relief Fund amounted to $815 million in Puerto Rico, $513 million in California, $385 million in South Carolina, $318 million in the Virgin Islands, and $54 million in North Carolina. These amounts do not include money spent by other Federal agencies such as the Department of Transportation, SBA, and State and local entities.

I'd like to just summarize the results and highlight some of the key points that are in our detailed statement.

I need to emphasize, as you did in your opening comments, that we are not in a position at this time to give you a final opinion about the Federal relief effort. However, we intend to issue our report in September which will include an overall evaluation, and any actions that need to be taken to improve Federal responsiveness to natural disasters. However, at this time we'd like to discuss some of the emerging issues that we have come across in our work to date.

Overall we see a common theme running through the work we have performed. Basically this common theme is some of the same thoughts that were expressed by the witnesses this morning, that there seems to be some coordination difficulties and uncertainty about the roles and responsibilities among the agencies involved in disaster relief. This has become apparent as we obtained information on activities during three major phases: emergency management and preparedness, immediate response, and recovery.

In the preparedness phase, FEMA provides guidance and funds for State and local emergency planning and training. The six-state plans that we reviewed varied in their specificity. We are exploring whether FEMA needs to provide more specific guidance to ensure that emergency plans are comprehensive and complete.

In addition to written plans, training exercises are a very important part of preparedness. Training exercises conducted in the Virgin Islands several months before Hugo struck showed that disaster managers had not received adequate training for their roles. In South Carolina, limited participation in training and exercises by local officials may have contributed to coordination difficulties. In California, training activities did take place several months prior to the earthquake. These proved beneficial when the earthquake actually hit. In addition, some State officials have questioned whether FEMA training courses are current or relevant as they pertain to natural disaster preparedness.

During the immediate response phase after Hugo, local, State, and Federal agencies were confused about their roles, and communication system inadequacies and breakdowns contributed to delays in relief effort. In South Carolina, some local emergency preparedness offices could not communicate with each other because of damaged communication equipment. In the Virgin Islands and Puerto Rico, State and local Government and volunteer organizations were unable to adequately perform their roles and FEMA did not have the personnel, supplies, and equipment to coordinate the response effectively.

In these locations, State and local officials made requests for assistance from Federal agencies and legislators outside the established chains of command making it difficult to establish accountability for actions taken or assistance requested but not provided. In addition, Federal forces were flown to the Virgin Islands to restore law and order.

Because of the geographic isolation of Puerto Rico and the Virgin Islands, and the frequencies of disasters in the Caribbean, FEMA is examining the potential for prepositioning staff, equipment, and supplies in these areas.

The recovery phase involves such activities as repairing housing and public facilities and providing grants and loans to individuals and businesses for damages incurred. An emerging issue is whether FEMA should work more closely with local, State, and Federal agencies to develop a strategy for effectively meeting the housing needs of low-income disaster victims.

Also we are studying FEMA's administration of individual and public assistance programs and the roles of other Federal agencies in these programs.

Specific areas of interest include problems with applicant registration procedures, adequacy of FEMA's computer system, timeliness and sufficiency of FEMA's inspection of damaged property, and overlapping Federal responsibility for some relief activity.

In the area of staff resources, FEMA experienced problems in securing sufficient numbers of staff to meet all of its needs during the disasters that struck in the fall of 1989. Consequently, we are reviewing the personnel policies of FEMA for the disaster field offices and application centers, including personnel with bilingual skills, which one of the witnesses brought up this morning as a major part of making sure that we can communicate with the victims in the localities involved.

We are also assessing the impact of political appointee and senior executive service vacancies on FEMA's ability to respond to disasters.

In September 1989 there were at least six vacant positions that involved disaster assistance activities including FEMA's director and the director of the New York office who had responsibility for Puerto Rico and the Virgin Islands.

We want to bring to your attention, however, that two key disaster assistance positions at FEMA headquarters were not vacant. Two of those gentlemen were referred to this morning as Mr. Peterson and Mr. Chappell, as two key players in this process. Not everybody was missing, if you will, on the home front.

FEMA has a number of efforts underway to examine the Federal capability and performance in responding to natural disasters. In this regard, FEMA officials are in the process of obtaining information on lessons learned from the Federal, State, and local experiences with the recent natural disasters. In addition, FEMA itself has cited the need to improve in four areas: Roles and responsibilities of Federal agencies, organization and staffing at FEMA, immediate response activity, and State and local government capabilities.

In conclusion, Mr. Chairman, we believe that because of the magnitude of the disasters that struck last fall, and the fact that the hurricane and the earthquake hit at about the same time, the Federal, State, and local resources were stretched to their limit. As a result, various weaknesses at all levels—Federal, State, and local government—were exposed. I hope that improvements will be made to address lessons learned in these disasters to prevent them from happening in the future.

That concludes my prepared statement and we'd be glad to answer any questions that you or any members of the subcommittee might have.

Mr. **Borski**. Thank you very much, Mr. Ols. Do you think that FEMA's current system of career staff and paid reservists is adequate to meet its current authority? How well does the reservists system work? What are the problems? How much more staff or resources would FEMA need in order to take a more proactive first response approach?

Mr. **Ols**. That's a loaded question, Mr. Chairman.

Seriously—as I said, we aren't done—but I would like to comment on a couple of those questions. I can't give you how many they would need in total, but they have roughly—I think when the disasters hit last fall that they had 1,300 reservists in their inventory. I think that's up to around 1,700 right now. How many more they would need is uncertain—but there are some alternatives that I would see that you could work with and that would be cross-training of personnel within FEMA, one of the things that was mentioned this morning.

On the civil defense side, those people are not ready to go out and help in a disaster. So that's another alternative.

You could look at hiring more local people who may know the area and know what's going on rather than bringing too many from outside the area. That may be another solution.

The bottom line—you could increase FEMA personnel in total. That might be impractical in the sense of how much you would have to have if you had an equivalent of 1,300 or 1,400 people that you would have to add. You might still need to have a reservist system in order to respond to duplicate disasters that might take place.

We will be looking at all of those, and combinations of those. What we can see are some suggestions or policy calls that Congress might want to consider as we complete our work.

Mr. BORSKI. How good is FEMA's computer information system for providing necessary data to States after a disaster emergency? Is this a role that could or should be strengthened by the use of more sophisticated software that could provide States and localities detailed mapping and resources targeted to affected areas?

Mr. OLS. I know they've had a lot of problems. I might ask Don from California, because they were trying to make that work out there. He could give you the details on the specifics of the problems that they ran into.

Mr. PORTEOUS. Yes, the computer system that FEMA has—to my understanding it is not used in terms of prepositioning of equipment, materials, and those kinds of things. It is used for their individual and public assistance programs in the recovery phase of the effort. As a matter of fact, they do not even get it set up until the disaster field office is established, which may take a couple of weeks, and then they use it for processing the applications and trying to keep track of the applicants in these other programs.

Mr. BORSKI. Let me ask a follow-up to that. Why isn't FEMA's computer system integrated with those of SBA and the States? Isn't this a fundamental aspect of disaster assistance that should have been made a long time ago?

Mr. PORTEOUS. The FEMA system manager in California told us that their system is relatively new and they're still struggling with it. Indeed, following their earthquake exercise last year, one of the recommendations was that their system be integrated so that these other agencies can use it. The State of California officials told us that they have been suggesting to FEMA for years that this be done. SBA officials also told us that this should be done. It's just that FEMA is somewhat lacking in the technical personnel to make these enhancements. They wouldn't be that difficult to make. This is hopefully something that would be done in the future.

It does bring up the question, however, of the possible integration of these different assistance programs, all handled by a different agency. There are various options that we're looking at in terms of, is there a better way to administer, for example, the individual assistance program rather than having all of these agencies involved?

Mr. BORSKI. Mr. Ols, I noticed that the seven top executive positions in FEMA, including the director, remain vacant or are filled by temporary holdovers from the previous Administration. Do you think this has affected FEMA's performance?

Mr. OLS. That is something that we're looking at. I can't give you an answer to that. There were two key positions, as I pointed out, that were involved in the disaster response directly. Even a director or some of the other positions that are vacant are not tied directly to the disaster assistance system. We have to work our way through that. We know that some of them have been vacant for 15 months, 16 months, and we are looking at what direct effect it might have had in carrying out the whole role of responsiveness.

Mr. BORSKI. FEMA says that the high cost of using the military hinders its use. Under section 402 of the Stafford Act, however, the President may direct a Federal agency to utilize the supplies and facilities without reimbursement in a major disaster. Is this authority used? If not, why not? And do you think FEMA's use of military resources was appropriate?

Mr. OLS. First of all, I think that FEMA has to use the military to assist them. But there is a chain-of-command of requesting that from the Governor's office from the State to FEMA, and then FEMA to the military. One of those requirements is for the same provision that you talked about, the 25 percent cost that the State will have to reimburse the Federal Government.

Now when we use the waiver part, I believe in South Carolina the 25 percent was finally waived, to my understanding. However, one might argue that the timing of that waiver was not appropriate and therefore localities and States involved might have been hesitant, if you will.

Now we know, and I know Signora can talk to this even more, we did not get that from anybody that they said, "We didn't ask for help because of that cost." I heard that this morning come out very clearly that people are very concerned about that, that the military is going to come in and spend more than one would think. I might add my own opinion—this is not GAO's opinion—the question was asked this morning whether or not the military should go in at no charge. In my opinion, when you're in that kind of an emergency situation, I think they should. I don't think that State, local, or anyone should have to worry about whether I have the 25 percent in my fund to cover the costs.

Mr. BORSKI. Did someone else want to respond?

Ms. MAY. We didn't hear that while we were in South Carolina that the cost hindered the State from asking FEMA to bring the military in. We do know that in South Carolina FEMA tasked the Department of Defense with 16 mission assignments as requested by the Governor to come in and provide assistance such as debris clearance, beach replenishment, aerial spraying for mosquitos, and providing generators.

Mr. REPASCH. Excuse me, if I may add something about our work in Puerto Rico and the Virgin Islands?

Mr. BORSKI. Yes, sir, please do.

Mr. REPASCH. As you may know, FEMA used the military quite extensively down there to transport supplies, materials, and equipment and the 25 percent matching was waived so that there was never any consideration of what the local Governments would have to pay. I did hear some complaints from FEMA and other officials about the high cost of the military involvement, but they did it anyway.

Because of that, they were able to get the power systems on a lot faster than they would have, and get the water system going and everything else back on a recovery phase.

Mr. **Porteous**. In California, State officials did mention the 25 percent as a reason for their reluctance to ask FEMA for the Department of Defense to take on missions. However, in the earthquake, some of the local military bases offered their support on a volunteer basis to the local communities. The local communities were very appreciative of that and that did not involve any of the cost sharing, going through the procedures, or getting a FEMA mission assignment.

Mr. **Borski**. Mr. McEwen?

Mr. **McEwen**. How is it that you say you don't have to have any cost sharing?

Mr. **Porteous**. On an informal basis, the military base would call up the local Mayor or what not and say, "Is there anything we can do? We have a lot of soldiers who are very willing to help." The local Mayor says, "Well, we need help in unloading relief supplies, setting up tents, and things like that. If you could send some people down we would appreciate it."

The commander would do that, again, as a sort of public relations thing. It was done in a number of cases such as that. There was no mission assignment and it was not something that——

Mr. **McEwen**. And there was no charge for that?

Mr. **Porteous**. No charge, right.

Mr. **Borski**. Under section 301 of the Stafford Act, FEMA can waive administrative conditions for assistance which would greatly streamline the process. Has FEMA used this authority? If not, why not?

Mr. **Ols**. We know that they waived it in both disasters, I believe, in Hugo and in the earthquake as far as the declaration process so they didn't go through the whole mechanical process of getting everything prepared. So I know that they waived it in those situations. I don't know if they have waived it in any other applications.

Mr. **Porteous**. In California, in the individual assistance, providing the housing assistance to the poor, FEMA insisted for some time that they had certain regulations and requirements and these were given as reasons why they could not give aid to many people who the local communities and authorities thought were deserving of it.

This may have been a case where they could have used that authority to waive those requirements, given the local conditions they faced where they did not do that.

Mr. **Borski**. And one final question, if you will. Why didn't FEMA have the personnel, supplies, and equipment to coordinate the response to Hurricane Hugo effectively? What should be changed?

Mr. **Ols**. I'm not so sure I can give you an answer on why they didn't. I'm sure it has to do with their own budgetary restraints and what they have available. I believe they feel that the reservist system can carry out the role that they need.

When you hit a major disaster such as Hurricane Hugo, and I think even Mayor Riley talked about the worst one in 200 years, and the devastation of damage, that's a difficult task under any circumstances for anyone to handle. But to give you what they could do, as far as that, you could use the reservists, you could do a couple of things with local hires, or you could increase their personnel.

Those are things that we're trying to work our way through when we look at what legislative changes have to be made, or what administrative changes have to be made. You don't always want to say that to just increase personnel will help us fulfill that need.

Mr. **Subalusky**. Not only were these very significant but at the time that these struck there were a lot of other disasters that the agency had to service. They were stretched very thin across all boards. So it was a combination of things. Not only were these large but they were also servicing a number of other disasters that had to be taken care of.

Mr. **Ols**. I might want to add one thing. Again, it's just something that we've noticed and I think several witnesses talked about it this morning. One of the things is that initial strike force approach. In other words, I can get in there, get things rolling, get things up—what we refer to as a "hit team". They're on the spot right as that disaster hits.

They are not in that type of a mode. That might be something that needs to be looked at. I don't think they have the authority to be in that mode because they would, so to speak—come into the territory of the State, local, or city—so they would need that kind of authority to come in and make that kind of quick response. From then on I think the process is a matter of working your way through the applications and everything. It's not an easy thing when you have 400,000 people applying for assistance.

Mr. **Borski**. Mr. McEwen?

Mr. **McEwen**. Thank you very much, Mr. Chairman.

Thank you for your testimony.

You say that FEMA could have waived the requirement for reimbursement?

Mr. **Ols**. Yes, according to the Stafford Act in section 403, the President has the right to waive that 25 percent factor, or any amount probably.

Mr. **McEwen**. Somebody else was saying something here a minute ago about requirements they had, in the case of a dire emergency they could waive that too. Did I catch that? Was that you?

Mr. **Subalusky**. That was in the context of administrative requirements.

There was a great deal of discussion this morning about 10 million pieces of paper and being inundated with those kind of administrative requirements at a time when we're trying to get food, shelter, and people in the locations that they should be. This provision allows that they could waive a lot of those paperwork requirements to get the job done faster.

Mr. **McEwen**. What section is that, again?

Mr. **Ols**. Section 301 and 403 are the two key sections that talk about waivers.

Mr. **McEwen**. What supplies and equipment does FEMA normally provide if FEMA didn't have the personnel and things necessary for the Virgin Islands and Puerto Rico?

Mr. **Subalusky**. I guess the most famous equipment that FEMA has been stockpiling and had available was mobile trailers.

Mr. McEWEN. Where are they stockpiled?

Mr. SUBALUSKY. They had them at two or three facilities throughout the United States available to put into place wherever they were needed. There is reluctance on the part of FEMA to put in trailers. They've had some bad experiences in the past. For example, in West Virginia, in the floods some years back, by the time that they got the locations set up, they were no longer needed.

So it's not just a matter of bringing a trailer in and setting it up and walking away from it. FEMA will very readily tell you that trailers are like a last resort.

We found out also that Senator Hollings and others felt that they should have a lot of generators which they didn't have. They don't normally stockpile generators, but they do have ways of making them available. But by way of stockpiling supplies, that's pretty much the extent of it.

Mr. McEWEN. You don't know where the mobile homes, or whatever they're called——

Mr. SUBALUSKY. I know they had some, I think, in Texas and they moved them into Shaw Air Force Base in South Carolina to preposition some in light of Hurricane Hugo.

Mr. McEWEN. But none on the west coast?

Mr. SUBALUSKY. None that I know of.

Mr. OLS. We can check on that.

Mr. PORTEOUS. The trailers that they brought in to be used in Watsonville that Congressman Panetta referred to this morning were brought in from Texas. They trucked them in from Texas to Fort Ord and then when they were ready to be put on the pads, they put them on the local base at Fort Ord.

My understanding also is that they are shipping some trailers to the Virgin Islands.

Mr. McEWEN. Any time this year?

Do you understand what the Congress intended when they established FEMA? They thought it would be a Federal Emergency Management Administration dealing with different types of emergencies. Somebody would be able to respond to an emergency whether it be a flood or whatever, somebody who could come in and help people. Not somebody who would come in and say, "Now, Mayor, see outside your window. The whole town is falling apart. See, nobody has any water. Everything is blown away. Now your number one concern, Mr. Mayor, is that you have to document all your paperwork."

That kind of a person, in my book, says "I don't belong here" in big loud neon signs, "I don't belong in this business. I should be in EPA or somewhere where I make a living by passing regulations and shoving paper. I should not be in an emergency thought process with people who can deal with the unexpected and try to put two and two together."

For example, out there—Norm was telling me that in California when all the cars were destroyed and State Farm was trying to get their adjusters in there weren't any cars available. So do you know what they did? They hauled a bunch of cars over from Las Vegas and everywhere, brought them in there at a distribution point, flew in their agents, hopped in their cars, and did it on their own.

That puts two and two together as was testified. Those people were dealing with the bottom line. That cost them money. A FEMA guy, it doesn't cost him a day's wink of nothing. He's going to get his salary regardless, but he ought to be able to think that too. If these people don't have any—we'll go over to Fort Ord and we'll try to get some generators and we'll have them here by the time those mobile homes get here and we'll plug the two of them in together.

But I'll bet that if you set them in front of us right now, they'd give us an hour and a half of testimony on why you can't do that.

We have to come up with an idea, maybe you can help us. Maybe we ought to give a personality test or something. Do you have the capacity to make decisions? Can you figure out that just because it wasn't in your instruction manual when you were hired in 1963, can you do it anyhow?

It's so sad to me to spend all this money, and have all these people on the payroll, and have all these assets—that's what really bugs me, when you have rooms and buildings full of cots, generators, portable water units, and you have people sitting there trying to figure out ways to prevent those two—the need and the answer—from coming together because their paperwork is more important than the lives of the people affected.

Mr. OLS. I think that's why I used the term of strike force for someone to come in and—maybe using it in the context that you're using it together—pulling all these things together, all the resources that I need to bring to bear. That's a role that's not just FEMA. I think there are many players in that. So I think we have to look at the State and locals to see what their role is to help assist that, especially in a major disaster such as we experienced.

But we are looking for those, and that's what we would hope would be included in our report in September to tell you, or at least suggest some various ways that Congress might want to consider reconfiguring and making sure that we are providing the best responsiveness that we can.

Like Congressman Panetta said this morning, if we have decided that we are going to assist States and locals, then we ought to do it the best that we can.

Mr. MCEWEN. See, my problem is that it doesn't take a rocket scientist to do this stuff. It really doesn't. I mean, you can say to a Sergeant, "Take your squad out there and clear that highway," and he'll know what to do. The FEMA guy goes out there and he'll measure the size of the tree and he'll say, "Yes, that thing must have been worth $4,000. Do you have that down on your document?" Now people are backed up—we've got ambulances three blocks behind you—but that's his criteria.

Now the Army guy is going to say, "I can get that thing out of there in 30 minutes. Watch me." Boom. I think that—is there any way that FEMA can operate and perform its function as it's currently constructed? Should it come under Assistant Secretary of Defense for Emergency Management or something like that?

Mr. OLS. That is naturally an option, that you could turn over the whole emergency response to the military. That's a policy decision that Congress will have to make. But I guess I can't sit here and give you an answer today. I think we've heard a lot of things that we want to explore further as we finish up our work to come to that final answer.

I guess I would ask to reserve my opinion and our recommendations until we have time to work our way through several of the things that have been thrown out this morning as well as things that we found out as we did our work.

Mr. **McEwen**. What do the rest of you think?

Is this thing salvageable? Can you take people who sit at a desk for 11 months out of the year looking at regulations and paper and make them suddenly become instant thought managers or movers? Can you go drop them down in front of a disaster and say, "Look, we need to have this moving here, that moving there, pull this, get that." Can you make those people then go back and sit behind a desk in Washington, DC, for 11 months?

Mr. **Subalusky**. There are a number of things that would lend itself towards being able to hit the ground running or doing things faster than they have in the past. I think that's some of the issues right now on this lessons learned idea. If they are participating to a greater extent in the exercises and training, having people come in with a self-contained unit—sort of like a quasi-military operation—that they might be able to perform more effectively and do things faster, that would be helpful.

I think that some of the ideas are now on FEMA's desk with regard to these issues that are now being considered.

Mr. **McEwen**. Who decides where the DACs are located?

Mr. **Subalusky**. Initially we were told that they were set up in the wrong places, for example, in Charleston, South Carolina. There was a big issue over the DACs. FEMA did not have enough staff for more than two DACs so they talked to the local people and said, "Where would you like these DACs established?" It was a combination of——

Mr. **McEwen**. Do you have any idea who?

Mr. **Subalusky**. You mean the person?

Mr. **McEwen**. The Mayor wasn't consulted.

Ms. **May**. It's the county that makes the decision along with the State.

Mr. **McEwen**. Who?

Ms. **May**. The county along with the State. The State will come to the county and say, "Where do you want these DACs located?" Then the county looks around and tries to identify facilities that meet certain requirements—are they accessible to major highways, are they large enough to contain large groups of people, 300 to 400? They make their decision from there, go back to FEMA and say, "Okay. We suggest these locations for disaster assistance centers."

Mr. **McEwen**. Well, evidently the mission that a lot of people have for FEMA, and the way that it's currently structured are not the same. That's just apparent.

People think that when the town blows away that FEMA ought to come in and help them. But FEMA says, "That's not my job. I'll be there in a week to see how bad off you are."

And so there's nobody in the interim there. If the Army won't come unless it's called and paid, something has to give. We need something to actually handle the emergency and not just——

Mr. OLS. One thing in the Stafford Act, it does provide for the President to bring in the military as much as 10 days, to use for 10 days, prior to the declaration of a disaster.

Mr. MCEWEN. Anybody in the military?

Mr. OLS. As far as I know, it doesn't qualify it.

Mr. MCEWEN. Not just the combat engineers, or something.

Mr. OLS. It actually points out that he could bring them in. I think someone suggested this morning that they brought them in and they got an extension on the 10 days, which I didn't know was allowed.

Mr. MCEWEN. That was just on the engineers. But I'm talking about this——

Mr. OLS. The military forces.

Mr. MCEWEN. This Air Force guy that called up Congressman Ravenel and told him, "I'm ready, willing, and able to go if FEMA will just ask me."

Mr. OLS. That was after the disaster was declared. See that's where the technicalities come in. If ten days is the way that the law is written, it's ten days before the disaster is declared that the President is allowed to direct the Department of Defense to use its resources for preservation of life and property. And they can call up any local base as long as the President says it's okay, go with it.

That's a provision many people don't know is even in the Stafford Act which just came into being in, I believe, November 1988. And again, that's one of the problems of not knowing all the roles and responsibilities that one can endeavor to get the action that is needed.

Mr. MCEWEN. There's another question that came to me for a second.

So then after the declaration is declared, does that change? Can the President still send any Army guys in to do anything he wants if he feels like it?

Mr. OLS. No, I think then it has to be coordinated with FEMA. I think they use that in the sense that you can't just have everyone running around—at least in my mind—I don't think you can have everybody running all over and calling for services to be rendered. Somebody has to be coordinating where all these services are.

Mr. MCEWEN. But the President can waive the charge for the military assistance?

Mr. OLS. I don't think so, Congressman, but I haven't researched it legislatively.

Mr. MCEWEN. You're being outvoted two to one so far.

Mr. OLS. Okay, then I'm outvoted. I didn't know that he could, but if he can then that's fine.

Mr. MCEWEN. If I'm in the White House this thing isn't all that difficult for me to do.

South Carolina, Caroll Campbell, says you guys are going to get blown off the face of the earth. Get in your car and get out of here now.

So they cleared all the interstates and the highways and said, "Take all your cars and get out." Now everybody's gone. So far so good.

Now the thing hits; does 1,000 years of high water mark damage, and now the President can turn around and say, "This is a war zone." He can then set up sections, command posts, and own and operate the place, if he wanted to do that.

Mr. **Ols**. Yes.

Mr. **McEwen**. So, therefore, when the base commander is calling Congressman Ravenel's office saying, "Why didn't somebody ask me to do this, call FEMA," we should have given him 456-1414 and he could have talked to the President. Is that correct? And they could have done that with no charge to the local county?

Mr. **Ols**. I don't have any comment.

Mr. **Repasch**. The way I understand it works is that the Governor of the State must make the request. If it's after the declaration he must make the request and in consultation with FEMA they have to agree with what needs to be done. Then when they have that agreement, they'll go to the President and seek a waiver if the State Government decides that it does not have the resources to cover the expenses.

That was done in the case of the Virgin Islands and in Puerto Rico. I believe also in South Carolina this was done.

In those cases, there were procedures set up and the regulations to have matching expenses and everything, but those regulations were waived and the military came in, the Corps of Engineers, the Seabees were there, the Coast Guard was there, and they were all performing their duties for the sake of the immediate response and the recovery.

Mr. **McEwen**. It sounds pretty good to me. You've got it pretty well handled as long as the President does something. If the President doesn't do anything, then you sit there and point fingers.

Mr. **Repasch**. I think the key is that the Governor of the State and FEMA must agree on what the magnitude of the problem is and agree on a plan to begin the relief efforts.

Mr. **McEwen**. All right.

Thank you very much.

Mr. **Borski**. I have one final question, that I would just like to follow up on, which my distinguished colleague asked. I'm a little confused, and, Mr. Ols, I think perhaps your panel is too. If the President can order the military to come in and help before the emergency is determined, can he also waive the charge? That's where you were saying——

Mr. **Ols**. I think we agree—at least I hope we do, Mr. Chairman.

Mr. **Borski**. Thank you very much. And I want to thank you very much for your testimony. I know it was difficult to do with the report still in the writing process, but we appreciate your testimony very much and look forward to your full report.

Mr. **Ols**. Thank you.

[Mr. Ols' prepared statement appears on page 102.]

Mr. **Borski**. The hearing is adjourned.

[Whereupon, at 2:35 p.m., the subcommittee recessed to reconvene on May 2, 1990.]

PREPARED STATEMENTS OF WITNESSES

United States General Accounting Office

GAO Testimony

For Release on
Delivery
Expected at
10:00 a.m. EDT
Tuesday
May 1, 1990

Preliminary Information on the Federal Government's Response to Recent Natural Disasters

John M. Ols, Jr., Director, Housing and
Community Development Issues
Resources, Community, and Economic Development
Division

Before the Subcommittee on Investigations and
Oversight
Committee on Public Works and Transportation
U.S. House of Representatives

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our ongoing work regarding the federal government's response to recent natural disasters.

We are conducting a broad-based review of the federal government's response to Hurricane Hugo in September 1989 and the Loma Prieta earthquake in October 1989. In addition to your request, which we received in March of this year, several other committees and subcommittees as well as individual Congressmen have asked us to review the Federal Emergency Management Agency's (FEMA) performance in responding to these disasters. While each request expressed concern about the overall federal response, most requests also asked that we specifically examine issues such as the breakdown of law and order that occurred in the U.S. Virgin Islands shortly after Hugo struck, and whether FEMA is better structured and staffed in responding to nuclear attacks than to natural disasters.

After Hurricane Hugo and the Loma Prieta earthquake, federal, state, and local agencies were challenged to their limits to provide the services and supplies needed to help victims and to rebuild housing and public facilities. Once the President declared the disaster areas, FEMA assumed its authorized role for coordinating the relief efforts of the various federal agencies. This is a major undertaking for any disaster.

Historically, FEMA has responded to an average of 23 disasters a year. In an "average" disaster, about 2,000 individuals and families seek federal disaster assistance, and FEMA spends about $10 million. In contrast, during the Hurricane Hugo and Loma Prieta earthquake disasters, about 400,000 individuals and families sought disaster assistance. According to FEMA, estimated expenditures from the President's Disaster Relief Fund for these disasters alone amounted to $2 billion. This does not include amounts spent by other federal agencies such as Department of Transportation and Small Business Administration, and state, local, and volunteer agencies.

I would now like to summarize the results of our work to date.

I would like to emphasize that we are not in a position at this time to give a final opinion about the federal relief efforts we are reviewing. We plan to issue a report in September 1990 that will include overall evaluations and identify actions that need to be taken to improve the federal responsiveness to natural disasters. At this time, numerous issues have emerged which we will share with you today.

Overall, we see a common theme running through the work we have performed so far. In these disasters, there seems to have been coordination difficulties and uncertainty about the roles and responsibilities among the agencies involved in disaster relief. This has become apparent as we obtained information on activities during the three major phases of emergency management: preparedness, immediate response, and recovery.

-- In the preparedness phase, FEMA provides guidance and funds for state and local emergency planning and training. The state plans we reviewed vary widely in specificity, and we are exploring whether FEMA needs to provide more specific guidelines to help ensure that emergency plans are comprehensive and complete. In addition, State officials have questioned the currency and relevance of some of FEMA's training courses.

-- During the immediate response phase after Hurricane Hugo, local, state, and federal agencies were confused about their roles, and communications system inadequacies and breakdowns contributed to delays in relief efforts. The extent of damage in the Virgin Islands, where water and power systems were down for a long period, meant that FEMA had to carry out responsibilities normally done by the state and local governments. Federal forces were also flown to the Virgin Islands to restore law and order. Because of the geographic isolation of Puerto Rico and the Virgin Islands and the frequency of disasters in the Caribbean, FEMA is examining the potential for prepositioning staff, equipment and supplies in these areas.

-- The recovery phase involves such activities as repairing housing and public facilities and providing grants and loans to individuals and businesses for damages incurred. In California, issues have emerged concerning the adequacy of federal housing assistance, particularly for low-income earthquake victims. Also, we are studying FEMA's administration of individual and public assistance programs and the roles of other federal agencies in these programs. Specific areas of interest include problems with applicant registration procedures, adequacy of FEMA's computer system, timeliness and sufficiency of FEMA's inspection of damaged properties, and overlapping federal responsibilities for some relief activities.

In addition, we are studying several issues dealing with FEMA's overall organization and management. These are the adequacy of agency staffing to deal with major disasters; the implications of numerous vacant high level positions in FEMA; and the results of several activities undertaken by FEMA officials to evaluate their disaster relief efforts and make recommendations for improving the federal response to future disasters.

BACKGROUND

The major objectives of the various requests are to review FEMA's

- -- implementation of its responsibilities under the Stafford Act;
- -- timeliness, efficiency, and competency in responding to state and local governments and disaster victims;
- -- capability to coordinate and direct the activities of other governmental and nonprofit relief organizations;
- -- relationship and coordination with state and local disaster assistance agencies; and
- -- ability to fulfill its disaster relief mission in light of the number of vacant or unconfirmed top positions.

Our work has been done at the FEMA disaster field offices--where federal, state, and volunteer agencies are to coordinate their response efforts, FEMA's regional offices, and disaster application centers where disaster victims apply for assistance. We are also surveying state and local agencies and governments involved in disaster assistance activities in Alabama, California, North Carolina, Puerto Rico, South Carolina, and the Virgin Islands to collect information on their experiences in disaster preparedness, response, and recovery.

In addition, we have contacted other agencies involved in disaster response and recovery in an effort to determine the adequacy of the overall federal response. These agencies include the Departments of Agriculture, Defense, Education, Housing and Urban Development (HUD), and Interior; General Services

Administration; Small Business Administration (SBA); and volunteer organizations, such as the American Red Cross.

When a disaster strikes or threatens, responsibility for protection, relief and recovery resides with the individuals and institutions affected, aided by local and state governments and volunteer organizations. When these resources are inadequate, however, the governor of the affected state can request federal assistance. The disaster relief program, managed by FEMA, is the primary means of federal aid--but not the only one.

The program is designed to supplement the efforts and available resources of state and local governments and volunteer relief organizations. FEMA is not primarily a first response agency. FEMA's predisaster activities include assisting, reviewing, and providing funds for state emergency preparedness activities. In the immediate response phase, FEMA monitors potential or actual disasters, assesses damage, and prepares a recommendation for a disaster declaration after the governor determines that the magnitude of the situation is beyond the capabilities of the state.

When the President declares a major disaster, a variety of federal assistance may become available. FEMA is responsible for coordinating all of this aid. Federal agencies involved in responding to the disasters are included in the appendix. Disaster relief activities may be accomplished under FEMA's authority, or under the agencies' own authorities.

After the declaration, a FEMA-state agreement is executed, which describes the manner in which federal assistance is made available. It lists the counties eligible for assistance; stipulates any division of costs among federal, local and state governments and other conditions of assistance; and specifies the period officially recognized as the duration of the major disaster.

A presidential declaration of a major disaster can make a broad range of assistance available--for both individuals and public entities. Individual assistance may include temporary housing, disaster unemployment assistance, individual and family grants, legal services, crisis counseling and loans to individuals and businesses. Public entities, including state and local governments and private nonprofit facilities, are also eligible for assistance, which includes debris removal and repair or replacement of roads, bridges, water control facilities, public buildings and related equipment, public utilities, recreational facilities and parks, and eligible private nonprofit facilities. Additional public assistance available includes community disaster loans, hazard mitigation assistance, and repairs and operating assistance to schools.

Stafford Act

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (November 23, 1988) made substantial changes to the disaster relief legislation. These changes expanded eligibility and increased funding in both the individual and public assistance categories and included:

-- increasing the temporary housing assistance eligibility period from 12 to 18 months,

-- increasing individual and family grant assistance from $5,000 to $10,000, adjusted annually,

-- amending the definition of private nonprofit organizations to include those that provide essential governmental services,

- -- authorizing the federal government to pay 10 percent of total public assistance expenditures for hazard mitigation measures which are determined to substantially reduce the risk of future damages caused by a natural disaster,

- -- reducing the amount of funds provided to public or private nonprofit facilities that should have had flood insurance, but did not, and

- -- allowing the President to direct Department of Defense to use its resources prior to the disaster declaration--for a period not to exceed 10 days--to perform work on public and private lands deemed necessary for the preservation of life and property.

PREPAREDNESS, RESPONSE, AND RECOVERY AREAS BEING EXAMINED

Several issues have emerged in our work concerning the adequacy of disaster preparedness, response, and recovery activities.

Natural Disaster Preparedness

State and local governments have emergency preparedness programs with ongoing activities designed to ensure that they are ready to respond to disasters. Their programs include the preparation of emergency response plans and participation in training and disaster exercises that simulate actions taken before and after a natural disaster. FEMA provides funds for emergency preparedness programs.

Although FEMA does not formally approve state or local emergency response plans, it provides overall guidance and technical assistance on plan preparation to state emergency preparedness officials. FEMA also reviews emergency plans for counties receiving federal emergency preparedness funds.

FEMA criteria for emergency plans require that plans follow a multihazard format--generic plans that can be applied to any disaster a state or local jurisdiction might face. The planning criteria provide general guidance as to how the plan should be organized and the emergency response elements that must be included.

According to some state officials, multihazard plans are broad authority and policy documents that should be supplemented with specific procedures to be an effective tool for responding to disasters. The six plans we examined varied widely in their specificity.

In addition to planning, other important aspects of preparedness include training and participating in exercises for disaster response. Exercises conducted in the Virgin Islands several months before Hugo struck showed that disaster managers had not received adequate training for their roles. In South Carolina, limited participation in training and exercises by local officials may have contributed to coordination difficulties after Hugo struck.

Some state officials have questioned whether FEMA training courses are current or relevant as they pertain to natural disaster preparedness. For example, North Carolina emergency preparedness officials said the FEMA disaster recovery course has not been revised to include Stafford Act changes to disaster assistance programs. California officials said some FEMA courses need to be modified to include up-to-date emergency response principles; and in their view, courses that emphasize civil defense are not relevant.

Immediate Response

Several issues have emerged concerning the adequacy of the immediate response by government and volunteer agencies. During the first days after Hugo struck the Caribbean and South Carolina, the activities of various agencies were characterized by confusion and uncertainty about roles and responsibilities. In the Virgin Islands and Puerto Rico, state and local governments and volunteer organizations were unable to adequately perform their roles, and FEMA did not have the personnel, supplies, and equipment to coordinate the response effectively. In several disaster locations, state and local officials made requests for assistance to federal agencies and legislators outside the established chains of command, making it difficult to establish accountability for actions taken or assistance requested but not provided.

Prior to Hurricane Hugo, predeployment of resources such as personnel and equipment varied by location. In the Caribbean, FEMA did not predeploy staff or resources. In the Carolinas, FEMA assigned a limited number of personnel to state and local emergency operating centers before the hurricane, but no equipment or supplies.

Communications problems existed in several places, making it more difficult to assess local needs and provide assistance. In South Carolina, some local emergency preparedness offices could not communicate with each other because of damaged communication equipment. In the Virgin Islands, most communications between the islands, and with the mainland, were cut off, contributing to a delay of several days in the disaster declaration.

In the Virgin Islands, the local police and National Guard were unable to maintain law and order during the first days after Hugo struck, and federal forces were sent to restore law and order at the request of the Governor. We understand that steps are now being taken to improve the readiness of the National Guard.

Although there were several indications of environmental hazards in the Virgin Islands, Environmental Protection Agency (EPA) officials did not arrive to assess damage and provide technical assistance for several weeks after the hurricane struck. Coordination problems between FEMA and EPA seem to have contributed to this situation.

Recovery

Once the immediate disaster response is underway, federal agencies begin the recovery phase. Among the issues we are reviewing are housing and the administration of individual and public assistance programs.

Housing

The Loma Prieta earthquake and Hurricane Hugo showed the difficulties of dealing with the temporary and long-term disaster-related housing needs of low-income victims in areas with shortages of affordable housing.

In California, HUD estimates that 4,000 low-income units have been destroyed or severely damaged, and they will probably not be rebuilt without government aid. FEMA, however, did not believe it was authorized to provide funds to restore or replace these units. A lawsuit led to a partial resolution in that FEMA has now agreed to provide funds for some units under section 403 of the Stafford Act, which authorizes FEMA to provide funds for emergency shelter.

According to FEMA officials, the Congress needs to clarify federal responsibilities for housing assistance in future disasters.

FEMA's temporary housing program may not address the needs of low-income earthquake victims who lived in single room occupancy units or shared housing. Many of these people could not meet FEMA's eligibility requirements for temporary housing aid. For example, FEMA required applicants to prove 30-day tenancy. Of those that did qualify, many were unable to meet their temporary housing needs with the 2-months' rent checks provided. FEMA did not initially provide mobile homes for earthquake victims in Watsonville, California, to help meet this need because it did not understand that affordable housing could not be rented.

Housing for disaster victims has also been a major issue in the Caribbean. More than 600 families were made homeless by Hurricane Hugo in St. Croix, Virgin Islands. We are reviewing alternatives FEMA is considering to provide for the temporary and long term housing needs of these families.

An emerging issue is whether FEMA should work more closely with local, state, and federal agencies to develop a strategy for effectively meeting the housing needs of low-income disaster victims.

Administration of individual assistance programs

Individual assistance programs include temporary housing aid, disaster loans, and individual and family grants. These programs are administered by FEMA, the Small Business Administration (SBA) and state agencies. Applicants for this assistance were uncertain about the status of their applications, and delays occurred as cases were forwarded from one agency to another. Emerging issues concern applicant registration, information systems, and inspections.

FEMA accepted individual assistance applications in person at disaster application centers and over the telephone. While telephone registrations may have been helpful in handling the large volume of applications, SBA and state officials said that telephone registration, in some cases, resulted in inadequate service to applicants and an increase in duplicate registrations.

In California, there was a backlog of 10,000 telephone registrations by the time FEMA's computer system was set up at the disaster field office. In addition, FEMA initially had difficulties with its registration control numbers in both, and its computer system was not designed to check duplicate addresses or social security numbers. California officials reported that, as a result of these problems, FEMA forwarded hundreds of duplicate cases to them for individual and family grants.

Since FEMA did not integrate its computer system with those of SBA and the states, duplication of effort existed in entering individual assistance application data.

To assess the extent of damage to residences, FEMA arranges for inspections either by its own inspectors or by Corps of Engineers or contract inspectors. These inspections were found to be inadequate for accurate grant determinations by California and Puerto Rico officials. In South Carolina, temporary housing aid was delayed for up to 6 weeks in some cases because of an insufficient number of inspectors to verify housing damage.

As a result of FEMA's registration and inspection problems, California officials estimated they issued 4,000 grants that were either duplicate, excessive, or given to the wrong persons. In addition, the South Carolina disaster field office referred about 300 instances of potential fraud to FEMA's Inspector General.

Administration of public assistance programs

Public assistance programs involve the repair, restoration, and replacement of damaged public and private nonprofit facilities. Several issues have emerged in administering these efforts, including overlapping federal authorities, and eligibility of nonprofit organizations.

Responsibility for disaster assistance to schools is divided between the Department of Education and FEMA. This split responsibility caused duplication of inspections and contributed to delays in making needed repairs to schools in California, North Carolina, and the Virgin Islands.

Similarly, responsibility for removing debris from drainage ditches is split between FEMA and the Soil Conservation Service. These agencies disagree over who should pay for this service in South Carolina.

FEMA's regulations implementing the Stafford Act broadened the criteria used to determine the eligibility of nonprofit organizations for public assistance funds to include organizations providing "essential governmental type services to the general public." These criteria caused uncertainty among FEMA and state officials as to what organizations qualify for funds to repair or restore their facilities. According to FEMA officials, they will seek additional guidance from the Congress on this issue.

OTHER ISSUES BEING EXAMINED

Two other issues have emerged--the adequacy of staff resources available to FEMA to respond to several major disasters within a short time frame and the impact of vacancies in high level positions.

Adequacy of staff resources

FEMA experienced problems in securing sufficient numbers of staff to meet all of its needs during the disasters that struck in the fall of 1989. Consequently, we are reviewing how FEMA obtains the personnel it needs to staff its disaster field offices and disaster application centers. We are reviewing the numbers of staff needed and how these needs are filled using permanent staff from FEMA or other federal agencies, paid disaster reservists from around the nation, or local hires. Our work includes an assessment of any impediments to training and using non-disaster assistance personnel when needed to respond to natural disasters. In addition, we are studying whether federal agencies' disaster relief personnel have adequate bilingual skills.

High-level FEMA vacancies

We are assessing the impact of political appointee and Senior Executive Service vacancies on FEMA's ability to respond to major disasters. In September 1989, there were at least 6 vacant positions that involved disaster assistance activities, including FEMA's Director and the Director of the New York office. We want to bring to your attention, however, that two key disaster assistance positions in FEMA headquarters were not vacant.

FEMA'S POST-DISASTER EVALUATIONS

FEMA has several efforts underway to examine the federal capability and performance in responding to natural disasters. FEMA officials are incorporating lessons learned from federal, state, and local experiences with recent natural disasters. For example, OMB requested FEMA to prepare a list by April 1st of modifications and changes to legislation and programs that should be considered as a part of the fiscal year 1991 budget process. However, we have been advised that its effort will not be completed for several weeks.

In another effort to evaluate the federal response, FEMA prepared a report in compliance with the Stafford Act to develop proposals for improving federal delivery of disaster assistance. Among the report's findings were the need to streamline individual assistance programs for large-scale disasters and to continually work with state and local emergency management organizations to improve response capabilities.

At the April 1990 National Hurricane Conference, FEMA officials cited the need for improvements in four areas of disaster relief management.

-- Roles and responsibilities: there is a need for more clearly defined federal roles, responsibilities and procedures, and better public information.

-- Organization and staffing: FEMA lacks the optimum organizational structure to conduct and coordinate response efforts.

-- Immediate response: FEMA needs to rapidly deploy staff and resources on-site when a possibility of a major disaster exists.

-- State and local government capabilities: State and local elected officials must be knowledgeable about disaster assistance programs, and tests and exercises should be expanded.

To further improve the overall federal response, FEMA officials are meeting with federal agencies to examine the federal response in recent disasters. A meeting in the Caribbean was held last month, and another will be held later this month in Baltimore. These meetings will address issues such as the types of support that agencies provided in Hugo and Loma Prieta and the changes the agencies are considering or will adopt in response to lessons learned from the recent disasters.

- - - - -

Mr. Chairman, this concludes my prepared statement. I welcome the opportunity to answer any questions that you or Members of the Subcommittee may have.

Federal Departments and Agencies Involved in Disaster Assistance

Army Corps of Engineers
Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Health and Human Services
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of Veterans Affairs
Environmental Protection Agency
Federal Communications Commission
Federal Emergency Management Assistance Agency
General Services Administration
Postal Service
Small Business Administration

City of Charleston
Joseph P. Riley, Jr.
Mayor

April 23, 1990

The Honorable Glenn Anderson, Chairman
House of Representatives Committee on
  Public Works and Transportation
Subcommittee on Investigations and
  Oversight
586 House Annex #2
Washington, DC 20515

Dear Representative Anderson:

Thank you very much for the opportunity to appear before your committee hearings on May 1st, 1990 to discuss the adequacy and timeliness of the emergency measures undertaken by the Federal Emergency Management Agency and other federal agencies after Hurricane Hugo.

First of all, let me say that the Charleston area is getting stronger. We have sustained the worst hurricane on record since 1752. Our residents have taken the initiative to get our economy back on its feet and we began the tremendous recovery process the morning after the hurricane. With sustained winds in excess of 135 mph, gusts up to 179 mph, and tidal surges in excess of 19 feet, we are extremely fortunate that there was only one death within the City of Charleston and only ten within the three-county area of Berkeley, Charleston and Dorchester Counties. We feel that this is directly related to our early call to evacuate the low-lying areas. If we had not taken that initiative, which was risky in itself due to the unpredictable nature of the hurricane, I am certain that there would have been hundreds of lives lost in the area. Early evacuation is the most crucial decision that has to be made and one that sometimes is not emphasized enough. We did however, learn that our transportation system was not sufficient for evacuation since a normal trip from Charleston to Columbia, which is one hour and forty-five minutes, took in excess of five hours the morning of September 21st.

P.O. Box 652, Charleston, South Carolina 29402 803-577-6970

The Federal Emergency response, we feel, needs improvement in initiative and pre-planning. While the Federal Emergency Management Agency employees were capable and courteous, their first instructions were to do an assessment of needs. Our area was without electricity within 125 miles, we did not have a drinkable water supply and our streets and transportation networks were unusable. On the morning of September 22, we needed everything. Our residents needed food, clothing, shelter, generators, water, ice and disposable diapers. No stores were operating.

It is my feeling that the initial emergency response for FEMA should be in the hands of the military. Troops with supplies could have been stationed at strategic locations in relative proximity to where the hurricane would hit. Those troops would have had generators, water supply, and heavy equipment to immediately begin the process of clearing transportation networks. The United States military is in the best position to quickly mobilize to begin the recovery process and provide badly needed supplies and support.

The full force of the hurricane hit in one of the least populated areas along the east coast. If it had hit in Jacksonville, Florida, New York City, Boston, Philadelphia or Norfolk, Virginia Beach; the needs would have been much greater and much more difficult to provide. While I understand that the National Guard is to be the first line of defense to assist with an emergency declared by the President, the National Guard did not begin to have sufficient personnel to meet the worst natural disaster in South Carolina in more than 200 years and in a state where over half the counties were declared disaster areas. These points are not meant to be critical of the individuals of FEMA who were, we felt, very cordial and well meaning in their response. We would like to suggest positive changes in the system.

I do not believe that FEMA is organized or equipped to deal with the initial day-one problems encountered in a disaster. The one entity with the ability to respond to these needs is the military. Because of their training to respond under pressure and make decisions while on the move, they are well trained for the exact response needed. In addition, because they must be equipped to take with them everything they may need, they also have supplies of water and generators. The ability of the military to provide additional security support is obvious. The National Guard, in our case, provided the additional security with great professionalism, but because of the size of this storm, the National Guard was spread very, very thin. FEMA did not feel that security was a related service in the disaster. This, we feel, is best handled by the military.

FEMA sets up the private application process for disaster relief. Originally, they were going to open only five Disaster Application Centers or "DACS" for the entire state. On the first day when over 4,000 applicants appeared, only 800 could be served. The main FEMA-SBA central office was not located near public transportation and neither was the first

DAC opened in the area. Many individuals lost their mode of transportation, as well as their homes, especially in the outlying areas. A more pro-active way to reach many of those people would have been a mobile outreach program by FEMA to actually go to the hardest hit areas, as well as establishing DACs sufficient in number to meet the demands of the area. Eventually, this occurred. Once again, FEMA should be more pro-active and not re-active.

While the citizens of the area were applying at the DACs, they still needed food, clothing, cleaning supplies, diapers and all of those things which are normally available to sustain life. The City of Charleston set up a relief program with volunteers and with the help of Sam Walton, the Omni Corporation and the Taubman Company. We developed overnight a Disaster Relief Program which went nationwide for appeals for aid. While our volunteers assisted greatly with the initial response, it soon became obvious that a much broader program for distribution was needed, when half the state needed the supplies. An obvious answer would have been the Army Quartermaster Corps to help with that distribution. While they eventually did come in from Fort Stewart and provided tremendous service to the community, their involvement was only secured by exerting great pressure from outside on the FEMA system. Troops commanded by General Taylor from Fort Stewart, were tremendous in their response.

Although we are beyond the emergency phase, our problems continue in the damage assessment area, again because of the way in which the FEMA program is required to work. First of all, our estimated expenses related to Hugo for damage to government facilities and additional manpower needed for repairs is in the magnitude of $35 million. Charleston's entire budget is just in excess of $40 million for an entire year's operation. Most federal programs which have been authorized by the President and Congress allow for a line of credit and require a federal audit once the funds have been expended. It would appear to be a simple matter to allow for such a line of credit once the disaster has been declared. The amount of paper work required to document the activities is way out of proportion to the effort on behalf of the federal government. At the current rate of paper use, it is estimated that the City will use in the neighborhood of 10 million pieces of paper just to document Hugo.

We have encountered problems with the Damage Survey Reports. The City has used its engineering personnel, as well as private consulting engineers and architects, to develop accurate estimates of damage. A case in point is the City's estimate at the Visitor Reception and Transportation Center project which is underway. This project is on a site of the birthplace of the American Passenger Railway System. The City's estimates for damages sustained from the hurricane are $814,000. FEMA's estimates are $143,000, leaving a difference of $671,000. Needless to say, that is only one project and that kind of disparity in repair costs would be devastating to the City of Charleston.

The continued ongoing efforts to rebuild housing for the low income residents who were not adequately compensated under the current guidelines is a tremendous oversight in terms of funding capabilities. While the initial temporary housing response by FEMA under the legislation is good, some measure needs to be undertaken to assure that individuals who could not afford insurance could gain some measure of respect in rebuilding their property. The Interfaith Ministries for the area have been wonderful, as well as Billy Graham's organization, Samaritan's Purse. That work is all being done on a volunteer basis together with the contributions that have come into the area and are being distributed through the Trident Community Foundation. But it is only a drop in the bucket so to speak and our housing needs are quite evident by the tremendous increase in the homeless that we are seeing. While I am sure this may be viewed as another housing project, we have learned in Charleston that scattered site housing works much better and this would be part and partial to that philosophy.

I intend for my comments to be constructive. The representatives from the Federal Emergency Management Agency were eager to help in any way they could, given the regulations under which they operate. However, it appears that those regulations simply do not allow the latitude necessary to assist in the recovery from a major natural disaster of the magnitude of Hurricane Hugo. I applaud you for holding hearings to receive comments from elected and appointed officials who were directly involved in the events, both before and after the hurricane. I hope that the results of these hearings will allow the regulations under which the Federal Emergency Management Agency operates to be revised to have a more pro-active and positive response to the next national disaster.

I look forward to meeting with you and your committee to present this information in person and I know that you will do everything possible for our country to provide a true emergency response when a national emergency is declared.

Most sincerely yours,

Joe Riley

Joseph P. Riley, Jr.
Mayor

JPR,jr./jlk

FEMA'S RESPONSE TO NATURAL DISASTERS

WEDNESDAY, MAY 2, 1990

House of Representatives,
Subcommittee on Investigations and Oversight,
Committee on Public Works and Transportation,
Washington, DC.

The subcommittee met, pursuant to recess, at 10:09 a.m., in room 2167, Rayburn House Office Building, Hon. Glenn M. Anderson (chairman of the subcommittee) presiding.

Mr. Anderson. The committee will come to order. Today is the second day of hearings by the Subcommittee on Investigations and Oversight on the Federal Emergency Management Agency's response to the recent disasters caused by Hurricane Hugo and the Loma Prieta Earthquake.

We heard yesterday from public officials involved in the response and recovery from these calamities, and unfortunately, we heard quite a tale of frustration, confusion, and dissatisfaction. Some of the problems we examined were: The insufficient use of the military for immediate emergency response; excessive administrative requirements and paperwork; lack of coordination among various relief organizations; and inadequate personnel, equipment and supplies from FEMA after these disasters.

We will hear additional testimony today from emergency management officials from the Carolinas and California. Our final witness of the hearing will be the Federal Emergency Management Agency, to respond to the issues raised over these two days of hearings, and to provide their own interpretation of their recent disaster relief effort.

At this time, the Chair recognizes the distinguished gentleman from Pennsylvania, Bill Clinger.

Mr. Clinger. Thank you very much, Mr. Chairman. I am here filling in for Mr. McEwen, the ranking member on this subcommittee. But I am pleased to be here and pleased to welcome our witnesses this morning as we continue to explore the adequacy or inadequacy of FEMA response in given disaster situations.

I have had personal experience with FEMA in the past in a tornado situation in my district. By and large, I found the response—this was back in the early 1980s—was quite good. I think one of the problems we have often had is that the expectations people have for what FEMA is going to do are often not matched by what FEMA is able to do, quite frankly. I think there has been a situation where we have raised expectations and those expectations have not been met.

Perhaps the real issue here is how we educate people to what FEMA is able or not able to do given the legislation. We have made some changes in the authorizing legislation that should have made their response more appropriate than it perhaps has been in the past. And the purpose of these hearings is to determine whether in fact there has been improvement. So I look forward to hearing the testimony of the witnesses.

Thank you, Mr. Chairman.

Mr. ANDERSON. Our first panel today consists of State and county emergency management officials from South and North Carolina who played an instrumental role in the response and recovery from Hurricane Hugo. We look forward to the testimonies of Mr. Stan McKinney, from the Governor's Office of Public Safety in South Carolina; Mr. Stitt Wolfe, from South Carolina's Emergency Preparedness Division; Mr. John Flynn, a Supervisor from Berkeley County in South Carolina; Mr. Joseph Myers, Director of Emergency Management for North Carolina; and Mr. Gerald Fox, a Mecklenburg County Manager, from North Carolina. We want to thank you all for your appearance here today.

First, will you rise and raise your right hands.

[Witnesses sworn.]

Mr. ANDERSON. Thank you very much. Mr. McKinney, would you like to proceed with your testimony?

TESTIMONY OF STAN M. McKINNEY, DIRECTOR, DIVISION OF PUBLIC SAFETY PROGRAMS, OFFICE OF THE GOVERNOR, COLUMBIA, SC, ACCOMPANIED BY JOSEPH MYERS, DIRECTOR, DIVISION OF EMERGENCY MANAGEMENT, STATE OF NORTH CAROLINA, RALEIGH, NC; JOHN T. FLYNN, BERKELEY COUNTY SUPERVISOR, MONCKS CORNER, SC; STITT M. WOLFE, OPERATIONS OFFICER, SOUTH CAROLINA EMERGENCY PREPAREDNESS DIVISION, COLUMBIA, SC; AND GERALD FOX, COUNTY MANAGER, MECKLENBURG COUNTY, CHARLOTTE, NC

Mr. McKINNEY. Mr. Chairman and members of the committee, on behalf of Governor Campbell, I appreciate this opportunity to appear before you today concerning the Federal Emergency Management Agency's performance and role in handling major natural disasters and emergencies such as the one we experienced in South Carolina—Hurricane Hugo. I had the opportunity to serve as the State Coordinating Officer during the response to and recovery from the largest, most devastating hurricane ever to hit South Carolina. My remarks this morning are based on my experience and interaction with FEMA during our most recent disaster.

I think that we must keep in mind that the Federal, State, and local recovery action is still underway in South Carolina. Much has been accomplished by all involved, but much is yet to be done, as we all know.

I am sure that the lessons learned by FEMA and the State will continue to emanate from the Hurricane Hugo response for many years to come. Lessons learned, which were established through evaluation and investigations such as the one here today, I am sure will be most valuable during future emergency response and disaster recovery efforts in sharing policy and procedures at every level of Government across the country. We must insure, as I am sure you do, that we consider all aspects in this evaluation.

I feel that any evaluation of FEMA's response to Hurricane Hugo, and most likely other disasters—I am being somewhat hurricane specific—must take into consideration several things. First, as in our case, we had to realize, (and FEMA must in the future) that a hurricane can certainly cause extensive and severe damage for a considerable depth inland, as we experienced in South Carolina. As you know, Hugo maintained hurricane strength for almost two hundred miles inland, across South Carolina and into North Carolina. This intensity resulted in twenty-four counties (more than half of the counties) in South Carolina being declared disaster areas.

Accurate and complete damage assessment in an area of this size in a large-scale disaster is virtually impossible to accomplish within the existing FEMA-established timeframes for declarations.

The volunteer response to disasters must be carefully planned and coordinated, as we learned in South Carolina. FEMA, as well as the State, must without question establish an infrastructure to handle the massive influxes of goods and labor that pour into a disaster from Americans across the country.

FEMA is not constituted, as I am sure has already been pointed out here, for immediate response. Currently, Federal laws and regulations do not provide for that immediate Federal emergency response, but only provide for disaster recovery. In South Carolina, and I am sure in many other affected areas that FEMA might operate within, this fact is misunderstood by many and resulted in our area in much confusion during response to Hurricane Hugo.

No local or State Government is initially fully prepared for a Hugo-sized emergency response. Hugo is proof that State and local Governments have historically and traditionally only prepared for moderate-size disasters.

Emergency response planning and preparedness organizations at all levels of Government, in our opinion, are underfunded, undermanned, and are normally placed on the back burner during times of calm. This morning I would like to paraphrase Rudyard Kipling—In times of trouble and not before, God and the Responder we all adore. When the trouble is over and all things righted, the Responder is forgotten and God is slighted.

We must remember, that if it isn't broken, we really don't need to try to fix it. Many of our present concepts, as well as procedures, at the Federal and State level are relatively good and well considered. We habitually overreact with change when only tightening and strengthening our systems both at the Federal, State, and local level might be all that is required. If we have to go beyond fine tuning our present system, then remember what Petronius said in 200 BC regarding organization: "We trained hard * * * but it seems that every time we were beginning to form up into teams, we would be reorganized * * * I was to learn later in life that we tend to meet any situation by reorganizing, and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization."

There are many things FEMA and the State could have done better in response to Hugo, but there are a great many things that were done in an outstanding manner. I remind all of us assembled here this morning that there were only twenty-seven deaths related to Hugo in South Carolina, and of this number, only thirteen were a direct result of the storm. Compare this with some 2,000 lives lost just before the turn of the century when a hurricane struck the lower coast of South Carolina. We have made progress.

Most of us in South Carolina agree that our State's emergency preparedness organizations are underfunded and undermanned. But we will not agree with some of our critics that we are underplanned, for there are emergency response plans in every county of our State. FEMA has provided funding and guidance and State law and regulations require these plans. But the fact that those plans and procedures were not, and may not be today, universally known by those charged with the protection of life and property is, without question, true. FEMA and the States must provide for the necessary funding and training for programs to counter this educational deficiency that exists across the country. In essence, many jurisdictions have a far superior emergency response organization and capability than they really should reasonably expect based on the current lack of Federal, State, and local emphasis and funding on emergency management.

I feel that both FEMA and the State did the best job they could under our current laws, regulations, and organization. FEMA provided invaluable support to the State under very trying circumstances. The director of FEMA, Region IV, Mr. Philip May, accompanied Governor Campbell on his tour of the disaster area the day after Hugo hit South Carolina. The Governor presented Mr. May with a request for a Presidential Disaster Declaration that morning. We also sent one to FEMA national, and to President Bush. The declaration was made that very same day. In actuality, the FEMA-IV disaster recovery staff was with us in South Carolina on the day prior to the disaster and offered support to the Governor and the State Emergency Preparedness Division in South Carolina. The advance elements of the Disaster Field Office—as an example, public information, public assistance staff, individual assistance, Department of Defense representatives, and many others—were with us on the scene in Columbia and were cooperating from a location within our State Emergency Response Control Center in Columbia. Immediately following the President's declaration, the Federal-State agreement was signed, as required by law, and requests to the Department of Defense representatives were honored and immediately coordinated for the use of military assets for bridges, helicopters, and generators that we so desperately needed in our State at that time.

Both the State and FEMA had a most difficult time in getting an initial accurate assessment of the extent of the total damages in the disaster area. This lack of knowledge also caused FEMA much difficulty in the establishment of a properly located and adequately staffed Disaster Field Office and the Disaster Application Centers. All efforts should be applied to getting a more accurate assessment prior to jumping into the establishment of field offices and Disaster Application Centers without sufficient workforce at the State and Federal level to operate them.

I have a few recommendations I would like to propose to you this morning, and I am sure they will be supplemented and complemented by many of the other presenters here:

First, I would like to say that FEMA should concentrate early on in determining total damages, as I mentioned, in the disaster areas to identify the area needs and the demand for Federal support. In the case of Hugo, once the field office was established (in our case in Charleston, South Carolina), work actually began in earnest and counties were added to the declaration list almost daily. Damage was obvious enough, however, in the majority of the affected counties to have allowed for much earlier declarations for those that were ultimately added to the list.

FEMA national should provide for more senior staff support to the Federal Coordinating Officer in the Disaster Field Office once it has established a disaster area. Many decisions regarding areas of the Stafford Act and limitations of disaster assistance had to be discussed with FEMA national staff and FEMA national attorneys. I really feel as a State Coordinating Officer that such staff should be located in the DFO on any major disaster.

FEMA must without question be more proactive with public information, even to the extent of assisting the media in reestablishing their stations' capabilities within the affected disaster area.

Congressional liaison operations without question are a critical component of a full-scale FEMA response, and in our case they left a great deal to be desired during the Hugo disaster in light of the subsequent criticism leveled at FEMA. Here again, the agency must be more proactive and provide this critical support.

If FEMA is only to be a disaster recovery agency, as opposed to an emergency response and recovery agency, then they must publicize that exclusive role. And if that is Congress' intent, we must leave it at that. If it is other than that, then we must provide them with support to accomplish the mission. Much of the criticism of FEMA in South Carolina following Hugo came from this lack of understanding from Congress, the State, and local officials.

During the Hugo response, coordination of volunteer groups was not established until well into the disaster. FEMA should look at gaining this coordination between the groups at the national level prior to a future disaster occurring.

Disaster relief programs are very diversified among many Federal agencies. FEMA must provide better coordination of the multiagency resources and educate local officials regarding the implementation of these programs. A consolidated handbook identifying all of the programs is mandatory.

FEMA should plan and exercise for the worse case scenario. A Hugo in the Islands and the Carolinas, and an almost simultaneous earthquake in California, as well as a small hurricane in the Gulf, certainly almost meets this criteria in my opinion.

Emergency response funding is meager at best. Congress should dramatically increase funding for natural disasters at the State and local level.

FEMA's primary implementing legislation is the Civil Defense Act, which was amended in 1981 to allow for preparedness for national disasters, but the agency's primary objective remains attack preparedness. FEMA's role and mandate should be reassessed toward coping with natural and man-made disasters, and in light of recent events in eastern Europe and our experience with Hurricane Hugo and the California earthquake, I think that would be appropriate.

Congress should consider the creation of a Federal-level Emergency Response Team that would have the capability and resources to immediately respond to natural disasters and catastrophic events across the country, and provide necessary support to State and local Governments in that first response mode when they most greatly need it.

In closing, I would like to say that both FEMA and the State of South Carolina worked dedicatedly together to get the job done, under the greatest of pressures, during the largest natural disaster in this century in South Carolina, and the largest for FEMA since its establishment. Within our limitations, we believe both FEMA and the State of South Carolina met the challenge.

Thank you very much.

Mr. ANDERSON. Thank you, Mr. McKinney. I am going to hold up the questions until each of you have spoken. Can you wait a few minutes?

Mr. MCKINNEY. Yes, sir.

Mr. ANDERSON. Our next witness is Mr. Joseph Myers, Director of the Division of Emergency Management, State of North Carolina, Raleigh, North Carolina.

Good morning, Mr. Myers.

Mr. MYERS. Thank you, Mr. Chairman, and members of the committee. I do appreciate the opportunity to testify today on the Federal Emergency Management Agency's role in disasters, and in particular North Carolina's experiences with FEMA during Hurricane Hugo.

There are probably not 40 people in America outside North Carolina that know that 29 counties in North Carolina were declared by the President as disaster areas. That is almost one-third of our State. But before I discuss the lessons we have learned from Hugo, I would like to take just a minute to explain the responsibilities of a State Director for Emergency Management and what he should do when he also becomes in most cases the State Coordinating Officer for disasters.

As Director of the State Emergency Management Agency, I am responsible for coordinating, guiding, and supporting State and local emergency management programs. These programs address virtually every type of natural and technological hazard that our society faces, whether it be a weather problem, a search, lost people, chemical spills, or oil spills. Emphasis is placed and must be placed on developing and maintaining emergency preparedness programs not only at the State and local levels, but also a new partner in our business is the private sector. So it is imperative that all levels of government and the private sector work together to establish an effective and comprehensive emergency management program.

I believe that recent disasters such as Hugo and the California earthquake reinforce a basic tenet of emergency preparedness; and that is that the first 24 to 72 hours of a disaster are critical. Furthermore, the effectiveness of response and recovery efforts are typically determined or in some cases predetermined by the level and quality of emergency planning, training, and hazard awareness and education among all the leaders at all levels of government and the public. I think that Hugo is testimony to what can happen if this planning and training infrastructure is not in place at all levels of government.

Before I address this experience with FEMA during Hurricane Hugo response and recovery, I think it is important that you, the committee, understand the background of Emergency Management in North Carolina. Our success in handling Hugo and its effects on our citizens was a direct result of the years we have spent planning, training, and exercising for a major disaster. Basically, 1985 was the turning point for Emergency Management in North Carolina when Governor James G. Martin recognized the need for a more proactive program and made Emergency Management a priority business of State Government. I often get asked the question, "When did you start preparing for Hugo?" And, again, I have to reply—1985. We knew there was going to be a disaster, we just didn't know it was going to be named Hugo.

There are numerous examples that demonstrate this proactive approach and some of these most notable examples are:

(1) Natural Disaster Planning—North Carolina in conjunction with FEMA and the Army Corps of Engineers completed the Easter North Carolina Hurricane Evacuation Study in 1988. The purpose of the study was to provide emergency management officials with realistic data for hurricane evacuation decision-making. The hurricane evacuation plan was then exercised annually—in fact, three months prior to Hurricane Hugo, North Carolina had a major hurricane exercise and I do believe that exercise paid off. This entire collective effort toward hurricane preparedness was extremely beneficial, and we believe it was a tremendous success. In 1989, the National Hurricane Conference honored North Carolina with its Emergency Management Award for "developing one of the most proactive hurricane planning and preparedness programs in the United States." I do believe that FEMA needs the resources to sponsor more operational response plans and exercises.

(2) Some of the major equipment that I think got us through this Hurricane Hugo and made a success. North Carolina purchased new equipment which expanded our radio communications capabilities and our Emergency Broadcast System throughout our State. The antiquated warning systems were upgraded, and a Hurricane Warning System was installed in the 20 coastal counties. I think a major advancement was the purchase of our color weather radar, which was installed at the State Emergency Operations Center, and it was utilized to track Hurricane Hugo 10 days prior to its landfall. Having this advanced notice enabled our operations branch to take the necessary action and make decisions on prestaging resources, notifying local and State officials in anticipation of this event. It also gave us advance time in studying the applicable relief programs that we could utilize in the event that this hurricane did hit us.

(3) Another major advancement was the additional Emergency Management staff that was hired at the State level, and the majority of these people were not located in our Emergency Center in

Raleigh but were put in the field with local government. We are the only State I believe that has emergency planners and trainers located out in the field with local government, and this has to help in their preparedness activities.

As these needed resources were put into place and crucial planning and training occurred throughout the State for the last five years, there has been a new spirit of coordination, cooperation, and unity among the emergency partners at the State and local and private sector. In other words, we did have a team established prior to Hugo and it has been effective for the past few years. Emergency Management has become a priority business of not only State Government but local government and the private industry. I think it is crucial that Emergency Management also become a priority business of the Federal Government.

Within the nine months preceding Hurricane Hugo, North Carolina received two Presidential Disaster Declarations for devastating tornadoes. Because many of the Hugo-affected counties were impacted also by the previous tornado incidents that required implementing the Stafford Act, local officials knew what to expect. During the Hugo response phase, these local officials were able to request resources such as technical personnel and equipment. In addition, as a result of their previous experience, they were more knowledgeable in working with State and Federal officials during the recovery phase. In this period of time, this nine to ten month period, North Carolina has 100 counties of which 42 have been declared disasters and what we have implemented in our state, of those counties that have not been affected, we have put together a training program on how to implement Stafford. I am not aware of any of its kind right now in any other State. The one at FEMA was written in 1985 and it does not reflect the current Stafford laws. We believe that it is essential that the local officials know what to expect those two or three days after Hugo. If we had more funding, I believe that we could produce video tapes and slides that would help these people.

I believe there were positive aspects of the Federal response to Hurricane Hugo. White House officials, FEMA, Region IV representatives called our Emergency Operations Center well in advance of Hugo's landfall to offer support to North Carolina.

When it became apparent in the daylight hours of September 22, that we had sustained a considerable amount of damage, I didn't wait for FEMA, I went ahead and requested FEMA's Region IV liaison to come to North Carolina, not for the purpose of directing but to coordinate Federal resources. His job was to be the single Federal point of contact for me to turn to in the event North Carolina needed any Federal agencies' resources, such as the military. He was also vital in assisting us in preparing an anticipated Presidential Disaster Request by the Governor. After an initial appraisal of the damages sustained, additional FEMA personnel arrived and provided valuable assistance with further detailed damage assessment. I believe that this coordination at the State and Federal level throughout the initial response phase enabled North Carolina to request and obtain a Presidential Disaster Declaration, and open the first of our Disaster Assistance Centers in less than 10 days of the onslaught of Hugo. FEMA was instrumental in assisting us with the damage assessment necessary to obtain this Presidential Disaster Declaration.

FEMA regional recovery personnel were both knowledgeable and professional, and they arrived in a timely manner. However, it became obvious almost immediately that more of their ranks were needed with the overwhelming task of establishing and manning Disaster Application Centers and the Disaster Field Office. FEMA was limited in the amount of personnel they could dispatch to North Carolina since numerous personnel had already been assigned to the Virgin Islands, Puerto Rico, and South Carolina. Therefore, it was necessary for North Carolina to loan additional State personnel to the Federal Government, FEMA, and equipment to assist them in jump-starting our operation. We loaned approximately 35 State people and four computers to FEMA to get this operation started.

I believe a "Strike Team" concept that would prevent this type of personnel shortage from recurring is worthy of consideration. For example, why do we not utilize emergency management personnel from unaffected State and local Governments to assist in all areas of the recovery programs? Organized into "Strike Teams" these trained personnel could be mobilized to a disaster area and could provide a vital resource to augment staffing at Disaster Application Centers and the Disaster Field Office. This would be in addition to the FEMA reservist program; this would be State and local people.

Another area of concern is FEMA's coordination role. According to the FEMA Mission Statement, "FEMA acts as the focal point for all levels of Government in developing a national emergency management capability that can deal effectively with any major emergency." Included in the statement is that FEMA coordinates Federal assistance for declared disasters and emergencies. Although FEMA did a good job in its coordination role with other Federal and volunteer agencies, there are some agencies that need to become more aggressive in assisting FEMA with its mission. Other Federal agencies need to have a better understanding of their own role in disaster relief and they need to recognize FEMA's role. FEMA should be given broader legislative authority and greater financial assistance if it is to truly serve as the quarterback for the response and recovery efforts of all Federal agencies.

North Carolina has experienced eight Presidential Disaster Declarations in the last sixteen years, and the Robert T. Stafford Disaster Relief and Assistance Act has proven, in my opinion, to be a giant step forward in the administration of disaster assistance programs. The Act is more manageable and it has provided more flexibility in the administration of Disaster Assistance Programs. There is truly less red tape than there was under the previous disaster laws, there is less paperwork, and the Act provides expanded services. For instance, through the Individual and Family Grant Program victims may now receive up to $10,400, they used to receive $5,000; victims may now qualify for up to 18 months of temporary housing, there used to be a cap of 12 months; and the Act provides additional funding to States and counties for Hazard Mitigation. However, the limited resources in equipment and personnel that FEMA has encountered has hindered their effectiveness in administering the Stafford Act in North Carolina. In this age of computer technology, it would be possible to expedite the assistance to disaster victims through electronic entry of individual assistance applications in the Disaster Assistance Centers. In other words, I believe that there ought to be a computer link from the Disaster Application Center to the Disaster Field Office that does not exist today and this would be able to expedite the grants that the victims that have gone through that day to be processed.

As with the implementation of any new program, there are certain areas relating to the Stafford Act that must be examined. First, there seems to be some uncertainty on the part of FEMA in administering the Hazard Mitigation Program. This is a new program under Stafford. In North Carolina, we have our money committed and the resources committed, but our Hazard Mitigation Program has not been approved not only for Hugo but our May 1989 tornadoes. Further, FEMA needs the resources to develop more educational programs on the Stafford Act to State and local officials. We all know we seem to be getting better during evacuation and warning, but again, as I mentioned earlier, there needs to be more educational courses developed for local and emergency management officials, mayors and commissioners, on what to do those first two or three days after the disaster when the wind stops blowing and the water has gone down. Also, all agencies charged with administering certain sections of Stafford, whether under Public Assistance or Individual Assistance, should have compatible computer systems with FEMA. There seems to be a lack of compatibility in systems, and compatible systems would speed up the process between the Red Cross, Small Business Administration, and FEMA. Finally, Federal disaster relief funding programs generally require 25 percent in State matching funds, but perhaps consideration should be given in instances where States have been impacted by multiple Presidential Disaster Declarations, as we were in the past fiscal year. With three Disaster Declarations in the last Federal fiscal year, North Carolina is a prime example of the financial burden imposed on State budgets.

There also has been concern as to how the Stafford Act would apply to technological disasters such as the Alaskan Oil Spill, the chemical accident we had years ago in Bhophal, or a nuclear facility. Unfortunately, there has been a lack of guidance from FEMA on this issue and I believe it is imperative that this be resolved. One reason for my concern is that natural disasters such as Hugo spawn additional disasters. Hurricane Hugo caused not only other natural disasters such as floods and tornadoes, but we also had technological mishaps such as hazardous materials and nuclear facility problems.

In closing, the State of North Carolina has been very pleased with the professionalism and the perseverance of the FEMA staff who have assisted us. Our Region IV is currently managing approximately 14 disasters simultaneously, which is close to the normal national average. They are administering over 32,000 damage survey reports within the eight states of the southeast. There are many devoted personnel within FEMA, many of whom have not been home for months. One gentleman who is working with our state, and five other disasters within our eight State region, has only spent four weekends at home in the last six months.

I hope you will agree with me that emergency preparedness must become a priority business of Government and that FEMA, as the focal point, must receive the adequate resources and legislation that it needs to be truly effective in its ultimate goal—to save lives and property.

Thank you very much.

Mr. ANDERSON. Thank you, Mr. Myers. And we again will hold our questions to you until the other panelists talk, unless you have to leave immediately.

Our next witness is Mr. John T. Flynn, Berkeley County Supervisor, from Moncks Corner in South Carolina.

Mr. Flynn.

Mr. FLYNN. Chairman Anderson, committee Members, Members of Congress, ladies and gentlemen. I have left approximately 75 copies of what I have prepared with the staff. I will be speaking from a synopsis. There are seven attachments to verify some of the comments I make, such as Washington Post newspaper articles, in which I am sure you place a lot of credibility.

I would like to thank you on behalf of Berkeley County, and Moncks Corner, South Carolina, which is the county seat, for this opportunity to speak to the Committee on Public Works and Transportation in regard to FEMA's response to Hurricane Hugo. Unlike the two previous gentleman, I will not be speaking so much from a philosophy or from a preparedness, but from a day-to-day activity, having spent the first five days and four nights in the EOC center after the landfall.

As you are aware, on September 21, 1989, Hurricane Hugo made landfall in the late evening and early morning hours of September 22, 1989. Although Berkeley County is not a coastal county, we are just northwest of Charleston County, and received the brunt of the storm as it traveled along the coastline of South Carolina. We spent the first day simply trying to reach the most needy citizens and were unable to recover several of the bodies of those who had perished in the hurricane until Saturday. Through the exemplary efforts of local organizations such as volunteer fire departments and rescue squads throughout the county, we were eventually able to reach all citizens and provide essential items for living, such as water, food, and shelter.

As I travel around the county even today, I see the rebuilding efforts going on for homes and businesses and Hugo debris still lying along the roads. Since the majority of our county is rural, it will be some time yet to come before we are able to clean up all the debris and restore our county to its once pristine beauty. As you may be aware, approximately 30 percent of Berkeley County's land mass is home to the Francis Marion National Forest which was 70 percent destroyed by the hurricane. This is indicative of the overall damage that our populace county suffered.

Let me now address FEMA and its response in assisting our citizens. Within three days after the hurricane touchdown, we were contacted by an initial assessment team from FEMA which asked me to coordinate meetings with all local governmental entities and other affiliated groups to begin the preliminary assessment work.

There are six townships and cities located in Berkeley County. Of all the groups with which I dealt representing FEMA, this was perhaps the most helpful and the most professional. Although these were preliminary assessments, I understand the significance in that such assessments furthered the development of future FEMA assistance. I don't need to go into the litany of complaints you have heard over yesterday and today about recordkeeping because it is unbelievable that any governmental agency would require that much paperwork to receive public assistance.

Before I launch into the litany of concerns and maybe complaints, however, I would like to express my gratitude and appreciation for all that FEMA has done. We in Berkeley County would certainly not be in the position we are today without the assistance of FEMA. I immediately realize that with our limited staff, we would be unable to administer and oversee all the contractual arrangements that we needed in order to recover from Hugo. I immediately asked State and FEMA and maybe the congressional delegation as well to task the Corps of Engineers to assist the counties such as Berkeley with this seemingly insurmountable task.

From my initial contacts with our Washington delegation, it appeared that having the corps tasked to administer the contracts was not an alternative which FEMA would elect. I was unaware of the turf battles which FEMA and the Corps have encountered in the past. We encountered resistance whenever we met with FEMA and discussed the corps' administration of contracts within the county. Valuable time and taxpayers' dollars were wasted during the interim period between FEMA's discussion and acceptance of the corps as the administrator of the contracts.

Perhaps our vision of FEMA as the white knight riding to rescue us from Hugo was misplaced. We had expected more disaster management assistance rather than a bureaucratic response from FEMA. Since FEMA was reportedly in South Carolina 24 to 48 hours prior to Hugo's arrival, it would have been wise if certain emergency tasks and needs could have been anticipated for the disaster which ensued. We are indebted to the National Guard units and to the Marines without whose help we would not have been able to reestablish our sewer lines, roadways, and utility rights of ways.

During the first two days after the hurricane, we saw the volunteer network fall apart as many of our volunteers evacuated northward, leaving no one to staff the shelters or food distribution points. This hampered our response efforts as we were required to assume additional tasks in assisting our citizens. We are especially thankful for the Mennonite Disaster Service, the Southern Baptist Conference, and the United Methodists for their initial and continued assistance. These groups have pledged to remain in our county until all needs are met.

I can assure you our initial estimates of the debris generated as a result of the hurricane were extremely low. We are still operating under several DSRs for approved contracts to remove debris and have not yet addressed the problems with debris remaining on private property, which will probably remain untouched for at least a year if not several more. Although we will continue to work very closely with the National Forest Service and the South Carolina

Forestry Commission, there is a grave concern for the forest fires which may develop and will spread across the county. We especially applaud FEMA's participation in the "Gimme 12" media campaign to make our citizens aware of this fire task. This represents a truly positive and innovative expenditure of funds to alleviate potential dangers. I have left for the committee some of the media campaign material. It is very innovative and it worked very effectively. As I mentioned, 30 percent of our county is a National Forest and 70 percent of the trees were downed, and people living in those areas are in great danger of fire.

One of the most frustrating periods in dealing with FEMA was the question about private property. If you can imagine a large rural county having over 12,000 mobile homes in its rural areas, some of them in 100 or more trailer parks where the roads were not dedicated to the state or the county, it was some time before we could get the point across that these were not truly private property roads but were publicly accessed homes, and services such as fire protection and garbage disposal, and for some time we were not able to make that point clear to FEMA.

In bidding contracts we worked very closely with FEMA's representatives to arrive at a pre-bid figure so that we would know whether or not we could award the contracts. In almost every case, the initial figure developed by FEMA was drastically lower than the bids actually received. In light of that fact, FEMA allowed us to award every contract with supplementary DSRs. Common sense would dictate that FEMA be more reasonable in establishing their initial bid amounts so that valuable time is not wasted in creating supplementary DSRs. Supplementary DSRs just create more paperwork for everyone.

On the public assistance side, of which I have just spoken, all and all, through the seven and a half months now, we have made a lot of progress. I just want to take a few minutes to talk about the other side of FEMA which is the Individual Assistance side, which is where we had most of our problems.

In addition to the problems encountered in the removal of debris, we were outraged to learn that the initial Disaster Application Centers—commonly known as DACs—for private assistance, which process the applications for FEMA grants and SBA loans to private citizens, were all to be located in the adjacent county of Charleston. Five were to be opened, but not one DAC was to be located in Berkeley County. I pleaded with the President's appointee overseeing FEMA to establish a DAC in Berkeley County so that some of our citizens would not encounter a possible 60-mile drive one way to a DAC Center to make the necessary application to receive assistance. Later, twelve days after Hugo, I was successful in getting a DAC Center open in the county seat of Moncks Corner, South Carolina. I just want to point out that DAC Center was one of the last DACs to close in not only the State but during the entire Hugo process. The Vice President's wife, Marilyn Quayle, visited this DAC and even assisted in taking applications and can attest to the large number of citizens requiring assistance at this location. As it turned out, this Disaster Application Center was I believe the last one to close other than the remaining State Center which was located in Charleston County.

Imagine my surprise after approving the purchase of six generators the morning after the hurricane at an approximate price of $2,000 each, being advised by my finance director that FEMA would compensate us only for the rental value of one dollar per hour and then only for a very narrow period of time after the hurricane. As an example of the woefully inadequate rates, we were advised that we could receive compensation at a rate of $0.85 an hour for rental of chain saws. We needed chain saws in order to reach people who were actually injured during the hurricane. It took hours and even days to reach some of those folks. Chain saws were not available, so having borrowed and in some cases received donations of chain saws we were able to get these roads open and get the people out. This came at a time when chain saws could not be rented or even purchased without driving 100 miles from the county seat of Berkeley County. I have also established that chain saws cannot be rented for less than $15 to $20 for half a day. The point I am trying to make here is that some of the rates in trying to save money for the taxpayers of this great United States, we actually cost ourself monies by the bureaucracies that we set up around ourselves.

As I mentioned earlier, we relied quite heavily on volunteer fire departments to provide needed assistance until such time as we were able to clear a path to each location throughout the county. Each one of these 26 fire departments did an honorable job in operating at the local emergency center. Since they were volunteers, they were told that they could not receive any assistance for their efforts without going back and recouping all the time on time sheets, which turned out to be almost impossible and we have given up on that effort.

We were glad to have served as the training ground we feel for the earthquake in California because the response to California, and I am thankful for that, seemed to be much quicker and more substantial.

Recently in this very city in March, I attended a hearing sponsored by the National Association of Counties at which time a commissioner from one of the counties in California spoke. Although she was somewhat pleased with FEMA's response, it is my understanding that public servants and citizens from that area of the country share our displeasure with FEMA's response. I can certainly understand the concern exhibited towards cities and counties with a large population, as there were times when I felt as chief executive officer of Berkeley County that more aid was flowing to the larger cities in our area.

We would appreciate any consideration this oversight committee could offer in mandating that FEMA respond more promptly and in a more practical fashion with better capability to the needs as identified by local government officials. As an example, I have been working very hard with representatives from the other two counties in my area of the State trying to convince FEMA that they should approve funding for an additional aerial application of mosquito pesticides. Although this may be trivial and insignificant to them and maybe even perhaps to you, I can assure you that every uprooted tree that fell left a pit that holds water that breeds mosquitoes, and 70 percent of the trees were downed in the National

Forest and this doesn't take into account the trees on private property. That 30 percent of Berkeley County represents 190,000 acres of sawed timber such as pine trees.

I just want to mention that I have attached five recommendations. I will just touch on those briefly and be prepared to answer any questions you may have later.

(1) Task FEMA to develop a closer working relationship with local disaster preparedness directors.

(2) Make clear to governmental entities FEMA's true role — if FEMA is truly only a check writing organization or an application-taking organization, let's make the public aware of that. If not, then fund FEMA so that they may provide service that they are truly mandated to provide.

(3) In the final review, we are the form of government that citizens look to for basic necessities and guidance for restoring their lives. I am talking about at the local level through the Disaster Preparedness Offices or the County Supervisor, the position that I hold in Berkeley County, South Carolina.

(4) Regionalization may work for other programs, but localized response is needed to provide effective assistance. Unless we are given more authority, it is necessary that additional personnel be tasked to review and recommend approval of contracts, SBA loans, disaster applications, and so. I want to make one point that is not written on my cheat sheet here, and that is I felt the need after 10 or 12 days that my citizens wanted to know what kind of questions are FEMA or SBA agencies going to ask me. I started to try to find an application form that I could maybe sit down with school teachers who were unemployed at the time or with business people and review the applications so that we could assist our citizens. I was turned down flatly and told that these applications could not be sent out into the field but would be provided by FEMA when they arrived on the scene.

(5) I commend you, Mr. Chairman, for including a representative from cities, counties, and States to offer suggestions. You could even go further and meet with some citizens who were actually touched by Hurricane Hugo. In review of the agencies' response, we have been especially pleased by the efforts of the Soil Conservation Service to help clear the many miles of drainage ditches throughout our county. This multi-agency approach is necessary based on particular knowledge and expertise in drainage waste. There have been funds appropriated in Washington to help with that.

In closing, I have run upon something here that I think the committee will recognize. It is a hearing of this Subcommittee on Investigations and Oversight of the Committee on Public Works and Transportation on July 23, 1986. I would like to quote a gentleman from California, his name is Joe Cucchiara, a member of the local governing body of Santa Cruz County in California. He made some comments to this same committee four years ago, and he said,

> Admittedly, our government budgets are tight. However, in meeting the multitude of mandates imposed by higher levels of governments leaves little, if any, local discretionary funds. Yet disasters place immediate and disproportionately large demands on our small local budgets. Therefore, FEMA's proposed rules burden both the physical and the fiscal integrity of all local governments. This means whenever

resources are spent to protect health, safety, and public property, local government runs the risk that after the fact FEMA alone will decide such efforts were unnecessary. If FEMA defines emergency work as ineligible, then 100 percent of the cost again shifts to us at the local level. Clearly, FEMA's Monday morning quarterbacking of action taken to alleviate suffering and damage would not only reduce local government's ability to respond, but in many cases our ability would be totally negated. When FEMA pulls out, the full cost of all the problems of less than fully recovered disaster victims fall again in our chambers in local government and in the streets in our communities.

At the time that hearing was convened, we know that decreasing funds was under consideration and this committee did everything within its power to help us. We are confident that you will again seek to protect local governments' interest and allow us to continue to provide the first line of assistance to persons harmed by natural disasters.

Thank you very much.

Mr. ANDERSON. Thank you, Mr. Flynn. We will hold your questions until after the other two panelists have finished talking.

Our next witness is Mr. Stitt Wolfe, Operations Officer, South Carolina Emergency Preparedness Division, from Columbia, South Carolina.

Mr. Wolfe.

Mr. WOLFE. Mr. Chairman and members of the committee, I appreciate also the opportunity to speak here this morning. Before starting, I would like to say that I believe the intent of the Stafford Act is to provide recovery—not necessarily response, but recovery—in a disaster. And I also feel like it is important to look at a joint FEMA-State assessment and consider the elements of recovery that have a direct relationship and impact on the recovery operations.

The State and locals training in disaster recovery and in administering a recovery operation was totally inadequate. The lack of knowledge and information on FEMA programs and assistance caused confusion and misunderstandings on available assistance. This is not to be critical of South Carolina because the same would probably hold true for the majority of all States with a disaster of the magnitude of Hugo. There were criticisms of FEMA and the State of being slow in providing assistance. I think this should be examined closely by looking at some of the basic requirements and needs to put in place an operation to accommodate the massive Hugo recovery operation.

To address only a few of the basic considerations confronted by the disaster recovery manager, I will briefly discuss parts of the program.

(1) Establishment and staffing of a Disaster Field Office, as an example, to accommodate the worst disaster of FEMA's history with a staff of some 1,200 people; the location, the staffing of that field office in an area that has been really devastated.

(2) In the case of South Carolina, we had a total of 31 Disaster Application Centers that served some 89,000 applicants. In order to get those centers operational, we had a need to train up to 30 persons per DAC. This is a State responsibility. This is something that is very time consuming and fortunately, if you will, because of Hugo, we had unemployed school teachers that we could bring in

and train rather quickly and get those application centers operational.

(3) A recovery manager has also got to ensure that an engineering staff is available to assess public facility damage. I am really getting into more of the nuts and bolts, if you will, of some of the things that happen because I think these are some of the considerations that need to be looked at when you make an assessment. The team concept of a Federal, State, and local joint assessment also requires the State and locals to provide those persons needed at a time when emergency and essential services are being restored. There were 76 teams of engineers required for the assessment and coordination. A significant point of interest is that 14 million cubic yards of debris has been cleared and disposed of as a result of Hugo, much of this requiring immediate removal to repair electric power and essential health care services.

(4) Another consideration is that most radio and television stations were without power, as well as half the homes, and the means to provide public information was very limited for the first few days. I say this because I continually hear that FEMA was not in place early enough or we were not providing assistance early enough. I don't disagree with this, but I think we need to consider those factors that caused or had some impact on providing that service.

(5) I would strongly recommend that FEMA or the White House develop procedures to work one on one with politicians. Critical press of FEMA lessens their effectiveness when answering to the media and others on bad press. I think it also lowers the confidence of persons in need of assistance. I also feel that politicians should be made aware of the administrative requirements and the needs for accounting and for recordkeeping when you are disbursing millions of U.S. taxpayer dollars. I don't believe the truck can roll up and you can hand out checks or pass out monies the day after a disaster. There may be a procedure that can be put into effect, but there isn't one there now.

In direct response to the five areas that were addressed in your letter, I would submit the following:

(1) First response capability—adequacy, timeliness, and appropriateness. I am repetitive here I think in covering some of the same things that Mr. McKinney and Mr. Myers did. FEMA Region IV had staff members in South Carolina the day before Hugo hit. They were advising the State on actions to be taken when Hugo hit South Carolina. That staff was also planning for the Disaster Field Office, making contact with and alerting reservists, volunteer organizations, and DOD in preparation for Hugo. The initial planning was for Hugo to affect mostly coastal and backup counties. We had no idea that it was going to come in and move directly across the State and on into to North Carolina and do the damage it did. Neither the State, FEMA, nor the Weather Service expected Hugo to pick up strength and move on through the State.

The Region Director—and I believe Mr. McKinney also addressed this—and the DAP Program Manager did fly over part of the area on the morning of the 22nd and were able to endorse a recommendation for a Presidential Declaration and provided assistance to the State in preparation of that request. And at the same time, they were also making arrangements for power and telecommunications for the Disaster Field Office.

(2) Strengths and weaknesses. I think it would be difficult to find more dedicated and more knowledgeable people than those working in South Carolina in the Hugo operation. FEMA staff worked 12 to 14 hours each day, along with State and locals, seven days a week or the first 60-plus days, and continued on with long hours six days a week until the DFO was scaled down after 5 months of operation.

There have been concerns and I guess criticisms about FEMA having portable structures to house the DFO and DFO personnel, to provide generators, more mobile homes for temporary housing. I think most of these are really unrealistic. In a major disaster such as Hugo, it seems few people get the word immediately on Federal assistance. Again, this is because of the lack of radio and television stations having power to broadcast and get the word out. So I question the urgency of opening up a DFO or Disaster Application Center on the day after the disaster. As evidenced by the extended period of time the Disaster Applications Centers were still taking applications, there must be more pressing and important things going on for the individual on those days immediately following the disaster.

Possibly more attention should be given to volunteer services immediately after the disaster. Federal regulations and flood plain management preclude the setting up of mobile homes in some areas where they are most needed, thus causing more confusion. I don't think this is necessarily considered to be a weakness, but I think there should be some exceptions or relaxation of the rules on us of mobile homes on a temporary basis in a hard hit area such as we experienced with Hugo where there is no available housing to put people back into. I think providing generators for every water facility, sewer pumping station, nursing homes, and so forth, is also unrealistic. More or better legislation requiring emergency backup power for health care facilities would better serve the needs and insure a quick or more immediate recovery than the period of time needed to determine the needs and transporting the emergency power into the area after the fact.

(3) Coordination of activities of other governmental and nonprofit relief organizations. Coordination of other Federal relief organizations I believe was excellent. I know of no mission request made by the State that was not filled by FEMA. Some of them were not filled maybe as promptly as we needed or was necessary, but they certainly filled all of the mission requirements that I am aware of being placed on them.

(4) Adequacy of Federal and State disaster preparedness programs. FEMA Region IV has plans and programs and I believe a capability to respond to major disasters if given sufficient time—and I say two to three days—to pull together the needed resources. What I am speaking of there is to get those reservists that are scattered throughout the country, given them an opportunity to pack their bags and get into the area. You cannot really do that prior to a disaster because as in the case of Hugo, it could have hit Savannah, it could have gone on into the North Carolina coast; it is just not a situation where you can pull those people in and have them immediately in place.

I think FEMA should place more emphasis on the requirements for State to develop better training programs and provide the additional funding to the States in development and administering of these programs. FEMA should also consider the development of training materials such as videos, fact sheets, handouts, do's and don'ts in a disaster situation.

(5) Changes in FEMA's performance and capability since enactment of the Stafford Act. I saw no real changes in FEMA's performance as a result of the Stafford Act. FEMA provided guidance, assistance, and funding to the State. We still have FEMA personnel in our State doing that today.

I believe that the FEMA role is misunderstood by the public. FEMA needs to be more proactive in educating the public about its role under current legislation. In my view, expanding FEMA's responsibilities to include a response/reactive force to assume that role that is to be shared by the States and local government is not the answer due to the funding requirements. Thank you very much, sir.

Mr. ANDERSON. Thank you, Mr. Wolfe.

Our next witness is Mr. Gerald Fox, County Manager of Mecklenburg County, Charlotte, North Carolina.

Mr. Fox.

Mr. FOX. Thank you, Mr. Chairman. My name is Gerry Fox and I am the chief appointed executive officer of a half a million population county. The following is a joint statement for Mecklenburg County as well as Charlotte City Governments.

First, let me kind of set the stage of happenings prior to September 22, 1989. I do this to emphasize my personal belief that the local governing units should be the primary emphasis in disaster-related events of all the units of Government. I think you will see in some of my remarks—although we independently prepared our remarks—that there will be some similar to what Mr. Myers had to say to you previously.

Mecklenburg County-Charlotte has had a relatively long history of extensive planning and exercising for man-made and natural disasters. I have been the County Manager of Mecklenburg for 10 years. The city and county began extensive preparations of emergency response plans for a nuclear power plant in 1980 and completed these plans in 1981. Another similar plan involving Mecklenburg County and other counties in two States was completed in 1985. We have two nuclear power plants which are located within 12 miles in opposite directions of the center of our major city of Charlotte. Successful exercises have been held on both of these plans, one each year. Changes and enhancements to the plans have been added as a result of these exercises.

Several separate emergency preparedness plans were combined into an "All Hazards Plan" in the late 1980s. Periodic exercises were also held on this All Hazards Plan. The local Emergency Preparedness Office has been a combined city-county department and division for many years and has provided us with a coordinated and non-duplicative approach to disaster matters. Therefore, we think we had the necessary tools to appropriately address disasters as of September 22, 1989, with local resources as well as the knowledge and ability to tap Federal and State resources.

Charlotte-Mecklenburg's local response was coordinated through our Emergency Operations Center, with an Assistant City Manager, Assistant County Manager, and the Emergency Management Director in charge. The City Council and County Commission deliberated policy issues, such as states of emergency appropriations, waiving of regulatory policies, curfews, price gouging, et cetera, while the City and County Managers coordinated the provision of normal day-to-day services. Electricity was out for nearly the entire 500,000 person community. Streets were blocked. There was extensive property damage. Only few injuries and one death was caused by the sustained 70 to 90 mph winds. Clearing of streets to provide emergency and normal access, property security and functioning without electrical power, damage assessment, and public information were the early orders of the day.

State FEMA officials responded almost immediately and became an integral part of our response team. A "one stop" Disaster Applications Center was established within days of the hurricane. It was manned jointly by local, State, and Federal agencies. Early agreements were reached on the documentation necessary for disaster assistance reimbursements. In-house response and private contracts were awarded and implemented under these guidelines by both the city and the county. A citizens originated response was created through a Hugo Citizens Task Force which primarily addressed issues involving those citizens who were falling through the cracks on such things as property clean-up, food and shelter assistance. The Task Force also initiated, and is in the final preparation stage, to submit a "Lessons Learned" report to city and county governments.

With this background, let me now address the five issues raised by the committee for response during these hearings. These responses have been prepared primarily by our Emergency Management Division; other city, county, and State officials; and a consultant employed by Mecklenburg County. One perspective that I should mention is that Charlotte-Mecklenburg had little need for housing relocation assistance as our primary damage was site and not improvement related.

The first issue was the first response capability—adequacy, timeliness, and appropriateness. FEMA officials began making preparations to assist North Carolina prior to North Carolina even being hit by the hurricane. When we requested FEMA's presence in our Emergency Operations Center, they arrived immediately. FEMA Region IV North Carolina liaison was in contact with our E.O.C. prior to Hugo's arrival and remained in contact throughout the initial response phase. Hugo struck Friday morning and the liaison arrived Saturday. During the next three days FEMA officials were instrumental in assisting us with the damage assessment necessary to obtain a Presidential Disaster Declaration. The Presidential Disaster Declaration was granted on September 25, and in less than 10 days the Disaster Field Office was officially opened. This timely response was as much a result of FEMA's ability to deal with a disaster of this magnitude as it was the increased preparedness of the State and our own Emergency Management Program. FEMA did especially well considering the staffing shortages that resulted from previous disasters which had affected Region IV. Staffing shortages could have been alleviated by utilizing Emergency Management staff from other unaffected areas. With regard to recovery programs, we've noted no significant problems with inadequate FEMA authorities. However, during the emergency phase there is no specific authority to perform overall coordination.

On the second issue, strengths and weaknesses. Due to increased demand for disaster assistance resulting from the increase in disasters and their magnitude in Region IV, staffing problems have been identified as a major weakness. Suggestions for alleviating this include using Emergency Management staff from other unaffected areas. A second concern is Individual Assistance Applications. This voluminous and time consuming task could be made more efficient by utilizing electronic entry of these applications when applicants first arrive in Disaster Application Centers. Further, that State's administration of the Individual and Family Grant Program would be enhanced if the State's computers were tied directly to FEMA and Small Business Administration. The need for a FEMA Director to be appointed for overall coordination. FEMA should become more proactive during and prior to the initial emergency response. Finally, there is a need to develop a plan that would identify available resources at the State, local, and Federal levels; and the establishment of effective procedures for acquiring and utilizing these resources.

I would like to mention four or five strengths as we saw them in our role with FEMA. The Disaster Field Office was established promptly. There were experienced inspectors and Public Assistance officers available. They were helpful in completing applications and the Disaster Survey Reports. There was also an ability to handle and balance demands of the North Carolina applicants. They put experienced disaster managers on the ground immediately. They worked through and not around local problems and idiosyncrasies. And we saw some creative solution orientation of the personnel.

On your third issue, coordination of activities. Immediate needs of disaster victims are usually met by the Red Cross. And there is the possibility they could be more effectively met if FEMA were to coordinate its program with those of the Red Cross. As I mentioned previously, an integration of computer systems for Individual Assistance Applications would be of great benefit. More interaction between FEMA Public Assistance staff in North Carolina and South Carolina provided a large degree of consistency in administration of programs within FEMA Region IV. Since FEMA was hit with several disasters at the same time, the State agencies were relied upon even more greatly to provide disaster assistance. Considering the effectiveness of these agencies, FEMA might well consider allowing States more authority and responsibility in administering these programs. Disaster Field Office staff meetings were very helpful in exchanging information between agencies. Federal and State coordination of activities was adequate enough to get the job done, but there still was a lack of mutual trust which hampered the effort. In addition, planning strategies must be conducted jointly to prevent delaying implementation of program specifics.

Your fourth issue was adequacy of Federal and State disaster preparedness programs. Programs should be more proactive during and prior to initial response. FEMA should try to anticipate the needs that will likely be beyond State and local capability and begin identifying available resources immediately. Hurricane preparedness efforts through FEMA, North Carolina, Corps of Engineers sponsored Eastern North Carolina Hurricane Evacuation Study was well done and was determined to be adequate. The preliminary Damage Assessment process was well organized, but the continuation of simultaneous Preliminary Damage Assessment and Disaster Field Offices caused many shortages of personnel. There is a need for specific procedures to deal with simultaneous disasters. Also the need for specific procedures to deal with such things as technological disasters such as a nuclear accident, which might cover a large area, or oil spills. Individual immediate needs must be met in a more efficient manner. The American Red Cross does well here but could be assisted by FEMA.

Finally, your fifth issue was relating to the Stafford Act. We believe that FEMA has been very professional and capable in Region IV activities. Since the Stafford Act, FEMA has been given more flexibility in administering Disaster Assistance Programs. This has resulted in less red tape and paperwork and ultimately a more expeditious and effective settlement of disaster assistance claims. However, there is a lack of necessary staffing levels which has prevented FEMA from realizing its full potential. Though I fully support using a pool or the reserve concept of temporary employees for dispersing to disaster sites. One main reason for the shortage of resources in Region IV was, as I said previously, the number of disasters that hit within a short period of time. The Stafford Act has allowed FEMA to come closer to meeting its goal of providing maximum assistance in disaster recovery. The act allows FEMA to more adequately recognize and fund nearly the full costs of disaster response and recovery. The act could go further by increasing advances on large projects to up to 90 percent and giving FEMA the authorization to expand cross-training of Federal or State employees to increase the pool of experienced inspectors.

It is now seven months after Hugo and where does Charlotte-Mecklenburg stand in its response and its relationship with FEMA.

First, recovery efforts are nearly complete for property clean-up and debris collection. Debris disposal efforts will continue until fall. There have been several extensions of the DSRs and our ability to dispose of the debris which were expeditiously handled by FEMA. Federal and State reimbursements for authorized disaster operations have been promptly processed. "Lessons Learned" will be prepared by June and, where appropriate, incorporated into our disaster response plans and these will be shared with State and Federal officials. Life for several months has been back to normal.

As a personal note, Hugo has been my second "opportunity" to be the local chief executive officer in a city or county which experienced a major natural disaster. I was the City Manager in Wichita Falls, Texas in April of 1979 when a massive tornado destroyed 5,000 dwelling units, killed 50 people, injured several hundred, displaced 10,000 people from their homes, and cause several hundreds of millions in damage. In both instances, although not without some relationship traumas, FEMA and State emergency management officials have been responsive partners in these two disaster assistance efforts.

Thank you for your time.

Mr. ANDERSON. Thank you, Mr. Fox.

Our first questions will be directed to Stan McKinney, the Director of the Division of Public Safety Programs, Office of the Governor of South Carolina. Mr. McKinney, what specifically do you think is needed to improve States' emergency preparedness and knowledge of plans and procedures?

Mr. McKINNEY. Mr. Chairman, I would like to comment further on a statement that I made earlier and say that in my opinion and in evaluating the emergency preparedness operation at the State level, it is critical that a local emergency preparedness organization, whether it be a county or municipal level of local government, be strongly established and work within the network of the State emergency preparedness organization. States have limited funding, at least that's the case in my State, to provide the needed training and professional development of the people that are generally appointed in local government to carry out the mission and the delivery of emergency services at the local level.

FEMA has provided money to the State that is ultimately passed through to local governments, in many instances, for their use to develop training programs, but it does not appear that is adequate. Local officials, in many instances, are not aware of FEMA's program specifically; they are not aware of the requirements that they have as local emergency preparedness officials to do the job in implementing the programs that are available.

Mr. ANDERSON. Why have we heard so many complaints about the use of military supplies and services in South Carolina when you say that at the State level the Department of Defense was immediately coordinated into the response effort?

Mr. McKINNEY. Mr. Chairman, that is correct, they were, from the perspective of the executive branch and, I think, from Mr. Wolfe's perspective in the Emergency Preparedness Division. A Second Army official was made available to the Federal coordinating officer and to the Governor. All mission assignments that were requested by the State and FEMA were filled by DOD. There was one complication with a bridge that necessitated replacing the Ben Sawyer Bridge connecting the Isle of Palms and Sullivan's Island with the mainland. Ruben Bridge effort did not work, but DOD was there with watercraft that actually provided a ferry service. So all missions that were requested of DOD through FEMA by the State were filled.

There was much confusion that resulted. And I think that, as I mentioned, congressional liaison could have provided for timely and accurate information, maybe as to how the system was working at the time when direction was given from members of the South Carolina delegation to appropriate military installations in the State to deploy and provide support to local governments outside the chain of command or the coordinating authority and role that FEMA had at the time. And furthermore, the Colonel of the Second Army was responsible for seeing that the military missions were met, utilizing resources as they were made available to him.

Mr. ANDERSON. Why weren't the volunteer groups coordinated by FEMA until well into the disaster?

Mr. McKinney. Mr. Chairman, there appears to be really no formal network or structure to coordinate the volunteer response at the national level—the national level being the Salvation Army, the Red Cross, National Organization for Volunteers in Disaster, and others. FEMA needs to concentrate on getting that coordination established at the national level so that it shakes down to the State and local chapters or organizations. Furthermore, those folks need to and could provide very valuable support to government at the State and local level. They could see that individual volunteer efforts and those of church groups, citizen organizations, and others from across the country that respond to a disaster area could be meshed into some organized network so the community can benefit from the volunteer support in the most effective manner. I think that FEMA must work with the States in coordinating that at the State level also.

Mr. Anderson. Mr. Duncan, do you have any questions for Mr. McKinney?

Mr. Duncan. Really, Mr. Chairman, I just want to address my questions to the panel as a whole. Do you want me to wait then? My questions are really not for any one specific.

Mr. Anderson. Why don't you wait because I've got a whole bunch coming up?

Mr. Duncan. Sure, go right ahead.

Mr. Anderson. Do you have any specific questions of Mr. McKinney, Mr. Mineta?

Mr. Mineta. Thank you very much, Mr. Chairman.

Mr. McKinney, I want to thank you for your very fine statement. I would like to ask first of all is there a standard check list of how to conduct an assessment, or is this going to be reinventing the wheel every time a disaster occurs? From your perspective there in South Carolina, is there a check list?

Mr. McKinney. As far as the damage assessments are concerned, Congressman?

Mr. Mineta. Well, on page four of your testimony, you say "both the State and FEMA had a most difficult time in getting an initial accurate assessment of the extent of the total damage."

Mr. McKinney. Yes, sir.

Mr. Mineta. I am just wondering what is the nature of that initial assessment that someone is trying to gather in order to make application to be declared a disaster area. I assume that is what you are driving at.

Mr. McKinney. That's correct. There is a uniform method of gathering the information. The problem here was the magnitude of the disaster and the expectation that a determination could be made for a Declaration of 24 counties——

Mr. Mineta. Is that application—I mean, you don't have to have a Ph.D. in chemistry, physics, and engineering to figure out that 70 percent of your forest or area is torn down and that there is something wrong here and we have got to get to work. It is like trying to repair a car when you are going down the road at 50 mph, it is pretty hard to do. So here you have got a community that has just been obliterated by a hurricane, now is there too much of an expectation of local officials to make an assessment to justify that there is a disaster at hand.

Mr. McKinney. Congressman, in a near catastrophic event like Hugo, I think that is the case. I think that a preliminary fly-over could certainly serve that need and fulfill that mission either by State officials or accompanied by FEMA. That fly-over was accomplished over the first seven counties of South Carolina early on, and then we began to delve into the more formalized disaster survey process to look at making damage assessments. It is pretty evident that quicker declarations could have been made had that information been more generally used instead of so specific.

Mr. Mineta. Did FEMA say to you, well, we need 18,414 square feet for a DFO and it has got to be in this kind of a condition, we have got to make sure it is not going to fall down around our ankles once we move into this building? Do they set up all kinds of requirements against you as they were looking around for a site for either DACs or a DFO?

Mr. McKinney. Not concerning the DFO, Congressman. It was my understanding that General Services had already done an advance for FEMA in preparation for the establishment of Disaster Field Offices. The Federal Government made the decision and negotiated the contract for the lease space for the Disaster Field Office. The State was not called upon to provide any support except in the first few days following the disaster to provide temporary housing for those advance employees.

Mr. Mineta. The reason I ask this question of you, Mr. McKinney, is that you have in your statement, "This lack of knowledge also caused FEMA much difficulty in the establishment of a properly located and adequately staffed Disaster Field Office and the Disaster Application Centers. All efforts should be applied to getting a more accurate assessment prior to jumping in to establishing DFOs and DACs without a sufficient workforce to operate them."

Mr. McKinney. That was in the original damage survey and I was intending to say the extent of the disaster because the Disaster Field Office was located in Charleston. I realize this is Monday morning quarterbacking, but more than likely had we known the extent of the damage and the extent of the affected counties that were ultimately declared, the Field Office might not have needed to be located in Charleston. The DACs were coordinated with local governments.

There was difficulty in obtaining Disaster Application Center space. Local governments were devastated. It has been alluded to I think in maybe earlier testimony or information provided that maybe FEMA should have the wherewithal to provide free standing DACs or set the DACs up on their own. There probably does need to be some additional support provided to FEMA to establish that. It is very difficult to expect someone like Supervisor Flynn in a community that is totally devastated to immediately set up an operation that could provide for Disaster Application Center processing.

Mr. Mineta. Let me ask—again, maybe I missed it here—where is a good spot for a DFO to be located? Should it be closest to where all the damage is or somewhere outside the turmoil and the confusion and the mess that is going on with people trying to get things back together again in the middle of the disaster area?

Mr. McKinney. Congressman, in my opinion—and I might find other members of this panel who would disagree with me—it needs to be removed from the chaos and the operation of the disaster itself. We placed this Disaster Field Office a great distance away from the furthermost declared county also, so those local officials in York County on the northern North Carolina border of the State that were much closer to Joe Myers Disaster Field Office than the Charleston one had to travel a great distance to work with Public Assistance officials both at the State and local level. It could have been more strategically located; probably more practically located in this disaster in or around the Capital or in or around Florence, which might have been in the middle of the declared area. But if you don't know what those declared counties will ultimately be, it is pretty difficult for FEMA to make a determination as to where the Field Office should be located.

Mr. Mineta. I am not sure what the relationship is between you, as the Division of Public Safety Programs, and Mr. Wolfe's office of Emergency Preparedness Division. Are you both under——

Mr. McKinney. In South Carolina, I serve in the executive branch under the direction of Governor Campbell as his coordinator or director of public safety, of which I am responsible for a liaison role between Emergency Preparedness and the State's chief executive. The Military Department actually has responsibility day to day for managing the Emergency Preparedness Division. It is a division of the State Military Department.

Mr. Mineta. But you have no line function with Mr. Wolfe?

Mr. McKinney. Yes.

Mr. Mineta. You do?

Mr. McKinney. Yes, we do. When a declaration is made and the Governor declares a State of Emergency, then he ultimately controls the operation of the Emergency Preparedness Division. But day to day it is managed under the State Military Department.

Mr. Mineta. One final question, Mr. Chairman, if I might. On page six you say, "Congress should consider the creation of a Federal level Emergency Response Team." Isn't that FEMA?

Mr. McKinney. Sir, I think the name in itself—the Federal Emergency Management Agency—causes for some confusion and maybe the American public might be misled. Maybe if they are intended to be a recovery agency, then they need to be called the Federal Emergency Recovery Agency.

Mr. Mineta. Let's get into that then. What is the distinction between disaster or emergency response and disaster recovery?

Mr. McKinney. The first response——

Mr. Mineta. I think someone else mentioned this—possibly Mr. Flynn—someone else mentioned the need for to be a distinction. You say, "If FEMA is only to be a disaster recovery agency as opposed to an emergency response and recovery agency, then they should publicize this exclusive role. Much of the criticism of FEMA following Hugo came from this lack of understanding." Could you explain the distinction then between a disaster recovery agency and an emergency response and recovery agency?

Mr. McKinney. Congressman, I think it is key to remember, as I pointed out in another part of these remarks, that a disaster of the magnitude of Hugo is in most instances beyond the capability of many State and local governments. Therefore, State and local governments will in the future be dependent upon the Federal Government to provide support to them in that first response mode. Local governments provide initial response with law enforcement, fire and emergency medical service folks, and the local emergency preparedness director. But I feel in most instances where there is near total devastation, as was observed in the affected areas from Charleston and in Supervisor Flynn's area, they are very taxed. We had 750,000 people without power when Hugo passed over in the affected 24 county area, and that is beyond the capability of local and State governments to begin to restore emergency power. Utility companies sought the assistance of outside utility companies in mutual aid and back-up agreements. It was provided but it took weeks in many instances to get that power restored. Some critical facilities were left in a position where they did not have the needed support. I think whether it be FEMA-coordinated, DOD-run, or FEMA-funded and run—I am not here to answer that question or really make that recommendation—but State and local governments and the people look to the Federal Emergency Management Agency to help them when the storm strikes and then to provide the implementing aspect of the Stafford Act in the relief operation that gets them the immediate aid.

Mr. MINETA. Thank you very much. Thank you, Mr. Chairman.

Mr. ANDERSON. Our next questions will be directed to Mr. Myers. Mr. Myers, you are with the Division of Emergency Management in the State of North Carolina.

Mr. MYERS. Yes, sir.

Mr. ANDERSON. Mr. Myers, you discussed the hurricane evacuation study and plan exercised with FEMA and the Army Corps of Engineers. Whose initiative was this? Who sponsored this and how many other States have similar studies? What do you see as the secrets of your success in preparing for Hurricane Hugo?

Mr. MYERS. Mr. Chairman, thank you. As it relates to the study, three agencies sponsored the study—the State of North Carolina, FEMA, and the Corps of Engineers. It started in late 1984–early 1985. It was a study to determine basically how long it would take to evacuate the 20 coastal counties of North Carolina, including our Barrier Islands, based on the five levels of hurricanes that we could have in this country; how high the water would go, the surge level based on each category; what buildings would be inundated, which shelters would not be able to be used; and also the behavioral patterns of people.

In North Carolina there are areas, such as Ocracoke Island, where you can only get there by ferry, that when we have a major hurricane off the coast of Florida and the sun is out in North Carolina, we have to go ahead and start taking action because we cannot run these ferries during gale force winds. And at the front end of a hurricane you can have gale force winds up to 200 miles an hour. So it was imperative to have this study. And financially, each agency I mentioned chipped in to provide this. Each year we progressed in this study. For instance, we can take a picture of a building on our coast and actually show a local official on a category III or a category IV how high the water is going to go to the courthouse or that shelter. These types of studies have been completed. I believe the State of South Carolina has completed this study, and most of the States within the southeast. I don't believe these studies have been completed in the northeastern part of this country. I would have to ask FEMA for that information.

Mr. **Anderson**. You say that it is crucial that emergency management become a priority of the Federal Government and that FEMA should have broader legislative authority and greater financial assistance. Would you please elaborate on these comments. Why do you think emergency management is not already a priority; what further authority should FEMA have; and what should FEMA's role and response be?

Mr. **Myers**. As it relates to the priority business, it is obvious with the budget restrictions that FEMA has had over the years that much of their efforts and their budget under the Armed Services Committee is directed towards civil defense. We are also involved in many, many natural and technological hazards. And there comes a time, such as Hugo or the Loma Prieta earthquake, when that disaster does become a disaster for all three levels of government to equally participate in—local, State, and Federal.

I think it is imperative that FEMA have a balanced program, as we have done in North Carolina; one that meets not only national threats but also would address those natural and technological hazards. It is my understanding that under the Stafford Act FEMA is prohibited in many cases from purchasing the necessary equipment—computer hardware, software—until after the disaster. This application of systems needs to be applied prior to the disaster so the States and local governments are compatible with those systems, as an example.

The financial assistance has been limited, to say the least. The Emergency Management Assistance funds that go to assist State, local, and FEMA officials have been shown in recent surveys to be over $30 million short in this crucial area of funding these types of emergency preparedness activities—example, hazardous materials, which in our State, 70 percent of our emergencies are technological hazards. There is no funding for that particular area.

I failed to really answer the first question you asked. If I could go back to what was our success. I honestly have to tell you, Sir, that we did sit down in 1985 with local government officials and we did develop a theme called "New Direction." Generally speaking, we adopted four principles. The first one cost nothing, and that was to have better interpersonal communications with Gerry Fox and other people across the State of North Carolina.

The second area that was addressed, and I think this could be duplicated at the Federal level, was we needed a communications system in our State so that when we did have an emergency we could talk to our counterparts. The agency in North Carolina that protected the animals had a system but not the agency that protected the people, and that may be true today with the Federal Government. That's why I said it ought to be a priority business. We had a radio system; we had no computers. We now have 78 people on our staff and they all have a computer system. I don't think that is true today and it is not a priority with the Federal Government for FEMA.

We also expanded our staff. I think that is a problem that has been hashed out today. We didn't put our people in what we call our "ivory basement"—we are all underground, we're not in ivory towers—we put our people out in the field with the people. We expanded our field staff. That should be done at the Federal level with the regional staffs.

So simply speaking, we applied these techniques of a New Direction, these four basic steps, and I think that those basic steps could make FEMA a priority business and it is going to take a little more funding and some easing up on some restrictions to help them do this.

Mr. **Anderson**. You also said that FEMA was understaffed to establish and operate the Disaster Application Centers and Field Office. Did FEMA use reservists; and how well did that work? And if not, why not?

Mr. **Myers**. I have been in this business since 1975 and I have always heard that emergency preparedness and disasters is like war with no bullets. In this particular case, the southern front was the Islands, and then we had the central front in South Carolina, and the northern flank was unprotected. We had run out of manpower. They did use the reservists. I know of a couple of cases where some reservists in North Carolina who had participated in the Federal program were not called upon. We had used them in North Carolina ourself. But by the time they got to North Carolina, they had run out of manpower and equipment. So North Carolina graciously assisted them by loaning them people where we would normally not have people even though it was beyond our capabilities, and that is what you request when you go in for a Federal Declaration. We did loan them about 35 people and some computer equipment to jump start the operation. So the northern flank was out of people.

Mr. **Anderson**. What additional equipment do you think FEMA needs to increase their effectiveness in administering the Stafford Act? What types of educational programs on the Stafford Act are needed for State and local officials and for relevant Federal agencies?

Mr. **Myers**. Sir, from the equipment area, there are problems at the Disaster Application Centers with communications. That is a local responsibility, State, to pick that site. It is usually a school, there is one telephone. There needs to be an improved two-way communication system.

At the Disaster Field Office, FEMA has very sophisticated communication systems. They bring in these major telephone systems they can set up within a few days. Obviously, North Carolina should not be able to cut a check quicker than FEMA. We have done that three times in the last disasters because our computer systems are I believe state of the art.

As it relates to education, the last training program that we looked at prior to Hugo, when we sit down and get our Federal funding at the first of the year, was a 1985 vintage course offered by the Emergency Management Institute of FEMA. With the Stafford Act being passed November 25, 1988, that obviously told me that course did not have the new disaster rules included in the program. So after Hugo, we had a lot of requests from elected officials from areas which had not been declared yet in North Carolina and who had seen what had happened across this great county, so we put together our own eight-hour training course on what a local official should expect from FEMA, the State, what are their requirements those first two or three days after the disaster. I think there needs to be a training program with equal emphasis put on recovery as there is response, warning, and planning.

Mr. ANDERSON. Mr. Mineta.

Mr. MINETA. Thank you, Mr. Chairman.

Mr. Myers, I appreciate your appearance here before the committee. You are going to become a professional witness before our Public Works and Transportation Committee, and I appreciate having been before my Surface Transportation Subcommittee on Hazardous Materials.

I notice that you had an exercise you said a couple of months before this disaster. We had a similar exercise out in California prior to the earthquake disaster. Maybe we shouldn't be having these preparedness things; they may be precursors of the real thing to come along.

On page three of your statement, you say "FEMA should be given broader legislative authority and greater financial assistance if it is truly serve as the quarterback for the response and recovery efforts of all Federal agencies." I am wondering, given the limited Federal budget that FEMA has to work under, what kind of a stand-by cost that would be for us to really have it to truly serve as the quarterback for the response and recovery efforts? It is like the stand-by costs of a fire department.

Mr. MYERS. Maybe what I am saying there, Sir, is that it is not so much money to be the quarterback. Whether it is the Alaskan oil spill—I was in testimony on that and the question was asked that EPA was called, the Coast Guard was called, where was FEMA—regardless of the emergency at the Federal Government level—and this is the way we do in North Carolina, whether it is a technological hazard, a natural disaster, medical debris, infestations in the ocean, the Governor has one single agency he calls to coordinate the response of lead technical agencies within the government structure of North Carolina. I think that simple action within the Federal structure could be followed. Obviously, our Emergency Management is not the technical agency for nuclear power plant accidents—that's our Radiation Protection—but they alone cannot handle any one emergency.

So I am looking at one agency being the focal point that is notified in our State when two or more State agencies are involved in an emergency of any nature. Our Emergency Management is the coordinating agency, it has the authority to direct—I would prefer to use the word coordinate—all State resources to best assist local government, who is in charge. I would like to see that role with the Federal Government; where we have one Federal agency we can turn to regardless of the emergency that can in turn get us those resources and almost serve as the referee when you have conflicts of rules, regulations, and they can dispatch basically these people. I don't think it would cost a whole lot of money; it is more recognition of a role.

Mr. **Mineta**. Also on page four, you talk about the age of computer technology. What do you do when a local agency has a Hewlitt Packard HP machine, the State in on a Wang, and FEMA is on an IBM, and that might be 24 baud, and another machine is 24 baud, and another is 32 baud? We had that problem out in California where we couldn't "talk" to each other.

Mr. **Myers**. We basically don't have a problem with the State and local government, we do with the Federal Government. As I stated earlier, in 1985 when we sat down with local governments none of us had computers, but we basically agreed that what we purchased in emergency management infrastructure would be compatible. We have worked with local governments. We have been able to work with the private sector who have purchased computers for about one-third of our counties. We know they are compatible with what the State has. The central computer system the State has is compatible to the one that local government has.

Our problems have been the lack of knowing up front what FEMA was going to purchase. For instance, we have had to adjust some of our systems—and I in no way mean to be an expert in computers—but we had to adjust some of our systems to fit their systems that they brought in during the recovery process. I think if we would sit down before an emergency and talk and see what they had, these problems would be alleviated.

Mr. **Mineta**. Mr. McKinney talked about that assessment at the beginning. Did you have any problems in terms of dealing with that issue?

Mr. **Myers**. When I heard that there was a fly-over in South Carolina and all of a sudden a Declaration was granted, I didn't particularly want to jump through all the hoops that you normally would go through on a marginal disaster. Obviously ours was not a marginal disaster. I would have just as soon had a fly-over and gotten my initial counties declared. But the problem we had in damage assessment, and I am sure it was true in South Carolina and other places, is you couldn't get there—trees were down, power lines were down. We had people hit from the State line of South Carolina all the way to the Blue Ridge Mountains of North Carolina. That is 160 miles. With the massive blow down of trees, to get out and do a basic damage assessment on every little street was practically impossible. Our declarations came in intervals. We had four counties declared and then maybe three days later another group and then another group and then another group.

But I have got to emphasize that the first responsibility is local government. We have worked with local government. They have damage assessment teams pre-established, the forms, they know what is eligible and what is not eligible. I have got to emphasize that this program that we are dealing in is uninsured losses. That takes a while to determine what is insured and what is uninsured.

Basically, I was pleased with the initial assessment. We would have like to have seen some elimination of the forms and things of that nature due to the obvious devastation.

Mr. **Mineta**. I believe you also had a statement with reference to something about—and I saw it in some other statements—that FEMA should be more proactive. I would like to find out what that means.

Mr. MYERS. Well, in this program there are four phases—you have a mitigation phase; a preparedness phase, planning and training; a recovery phase; but the phase that seems to be missing which we have heard for months is response. I see response—and I see this as where they need to be more proactive—I see that phase missing. By response I mean the State of North Carolina has received over 10,000 emergency phone calls from local government to assist them in the last five years. In 1978, we only had 48 calls. We became more proactive. We expanded our range of emergencies that we were involved in; not to take over, but to provide any type of guidance and assistance we could regardless of the emergency.

I see recovery as longterm, building something back; getting a resource, a generator, a helicopter to them. We do this on a daily basis. I don't see that at the Federal level. We believe there should be one single source that we can turn to at the State level to get any Federal resource that is needed, whether it be the military, the Corps of Engineers, the Environmental Protection Agency, whatever. And that is what I would like to see from FEMA in the more proactive, is that we have that one place we can turn to 24 hours a day, seven days a week to assist us. I don't believe that exists today because it is not practiced.

Mr. MINETA. But then does that go back to the original question that Mr. McKinney raised of the distinction between an emergency response and a disaster recovery agency?

Mr. MYERS. I think they should be both. That is the direction that we started in the late 1970s and the early 1980s.

Mr. MINETA. I am not sure that even under the Stafford Act that they are both.

Mr. MYERS. I think we are missing that response link, as I said. Right now we are more recovery. Right now we plan and train and recover longterm. That phase of response is missing. I would love to see a FEMA official in every State that we could turn to; he would be already there to help us get that resource. I think that they could be both because you have got to be able to respond and determine the situation in order to be able to recover. We have tried the route back before we ever had a FEMA——

Mr. MINETA. Well, as much as we would like to do that, it may be that there may be an over expectation as to what we expect of FEMA then.

Mr. MYERS. I that there is the way it is limited today with major direction toward nuclear attack primacy and national emergencies and more State responsibility on natural and technological hazards, even though that seems to be the thing that we're seeing more of. So, therefore, there seems to be more preparedness and long-term recovery type programs.

Mr. MINETA. With everyday ongoing programs, we don't have a HUD director in every State, it is done on a regional basis and I am sure that——

Mr. MYERS. No, but we have an EPA person in every State, or I know we do in our State, several. If we have a major fire incident involving hazardous materials, it takes maybe more than one agency. This past weekend in North Carolina we had a major train derailment. We had to fight major environmental damages and we had to notify several Federal agencies. It would have been much easier for me at midnight this past Saturday night to have made one phone call and then had one agency to notify these people and tell these agencies to respond.

Mr. Mineta. Thank you. Thank you, Mr. Chairman.

Mr. Anderson. Mr. Duncan.

Mr. Duncan. Thank you, Mr. Chairman.

Gentlemen, everybody from local government who comes to see us or who comes to testify before one of these committees tells us how strapped they are for funds. Governor McWharter, from my State of Tennessee, came up here last year and said please, no more Federal mandates, the States are all short of money. Yet, you also know that the Federal Government has been operating at huge deficits and that our national debt has now gone over $3 trillion. I have some questions about the cost of all of this. We have some testimony from a later witness, Mr. Peterson, who will apparently tell us that the budget for FEMA was $270 million and yet the Federal allocation was $1.5 billion for Hurricane Hugo, and an additional large amount for the earthquake damage. What I am getting at is there any way to save some money in all this, and if so, how? Also, what percentage in your States were State and local funds? Does anybody care to respond to those questions?

Mr. Myers?

Mr. Myers. I know of one way we could save some money, I think. An example, I have two engineers on my staff that are 100 percent Federally funded to survey fall-out shelters. With special permission, they could work 60 days into Hugo. But after this magic period of 60 days, I had to send them back to their 100 percent Federally funded project. Yet, I received funds from FEMA to hire an additional engineer to go to this same job. It was under the civil defense funding. I think there should be an easing up where I didn't have to go out and duplicate and hire somebody totally green and bring them into this program.

The same is true under the National Flood Insurance Program. We get X amount of dollars each year to do so many widgets and if they don't do them, they don't get their money. But the first thing they give you in the Disaster Application Center is a flood map. But after 60 days these people had to go back to their normal 100 percent Federally funded job and I had to hire additional people to work with the victims and take them away from this Hugo. So, again, there was duplication of efforts and services. I think there should be some easing up there.

Mr. Duncan. Since these problems are primarily State and local in nature—all of you have said that FEMA did a great job or did a good job in response and so forth; and certainly I have no complaints about FEMA, I am sure it is an outstanding agency. But is there a way to eliminate some of this bureaucracy? Is it possible for the Federal Government to come in, or should the Federal Government come in and require State and local governments to set aside some emergency funds for disasters? Is there any possibility of something like that? My concern is that just during Hurricane Hugo we exceeded the FEMA budget by over five times. If every Federal agency and department exceeded their budget in one year by five times, we would throw this country into an instant depression.

Mr. Flynn, go ahead.

Mr. FLYNN. Mr. Duncan, I appreciate your concern about the Federal budget as I am elected in South Carolina by the constituents, and I know your Governor in Tennessee and share his concern too, but to do what you just alluded to would be another mandate from Federal Government to States to set asides and I don't think that is probably the answer.

I would like to go back to part of my testimony I believe about the time you came in, maybe just before you came in, about how I believe we can save some money. It was very evident to me during the whole process in dealing with FEMA on approvals of Damage Survey Reports that they intended to set all the prices of the contracts at an unattainable level on the low side, which caused us to have to go back and do supplemental DSRs. I think we have hammered so much about the budget to an agency that did respond well that you have got to keep the cost down that in fact we cost ourselves money by saying we are only going to pay $0.85 for a chain saw when we all know you can't rent a chain saw today for $0.85 an hour. I mean, that is impossible pre-Hugo, and during Hugo when there wasn't any chain saws, being told that was what we were going to pay for people to open up roads and also clean soil conservation ditches, we set the price on the low side hoping that someone will come in there as an entrepreneur and take the contract and lose millions of dollars. That's not going to happen.

To open up 11 burn sites in Berkeley County, I was paying from county budget that was already strained, that was in a year following up on the past three years the loss of Federal Revenue Sharing and other funds, with no fund balanced, I was very concerned about the local integrity of the local budget, I opened up 11 sites that I was requested to do and I was spending $16,000 a day out of a budget with a fund balance of less than $2 million.

Today, between the Corps of Engineers and debating with FEMA on who is going to administer the contracts—and let me just say that with Stan McKinney's help, we did in South Carolina finally get FEMA to task the Corps and they did an admirable job—but all those weeks, more than two weeks, that we waited trying to get this thing tasked, we were spending just in one county $16,000 a day for burn sites to burn debris when there was no debris being moved because we couldn't decide who was going to administer the contract.

Mr. FOX. May I respond. My response being I guess simply would be if the Federal Government got out of the business, States and locals would have to get into the business. It seems to me that if the Federal Government has established disaster response and recovery as a national mandate, a national priority, a national program, then you are in it, and as long as you are in it we are going to take advantage of it. If you get out, if you decide that it is not any longer a national mandate, a national issue that should be addressed by the Federal Government, then it seems to me that we have no choice but that State and local governments fill the void. We are going to continue to have disasters. We are going to continue to have to help our citizens——

Mr. DUNCAN. Do you think, Mr. Fox, that this is something that could be handled more economically and efficiently at the local level? I realize that there is a problem on funds at all levels, but you know today the State and local governments, as tight as things are, are in better shape financially than the Federal Government is.

Mr. Fox. Just one less layer of government to have to deal with, so one would think logically it would be simpler to approach the issues and address the issues if there is one less layer to have to deal with. We have resource problems as well, although we are not able to operate on a deficit as the Federal Government is.

Mr. Duncan. That is my point. That is the problem, we all have resource problems—you do, we do, the States do.

Well, thank you very much.

Mr. Anderson. My next questions are directed to Mr. Flynn. Mr. Flynn, who headed FEMA's response in South Carolina?

Mr. Flynn. Mr. Hall, I believe was the Director.

Mr. Anderson. Were other FEMA representatives who exhibit a cavalier attitude career staff or reservists?

Mr. Flynn. Career staff.

Mr. Anderson. Was FEMA understaffed?

Mr. Flynn. Reminding the Chairman that it was 12 days after the disaster before we got into the Individual Assistance side. The first two people who arrived in Berkeley County, South Carolina were reservists, two very articulate ladies who had waited in my office approximately 30 minutes for me to get out of the DAC to meet with them. When I did finally meet with them I found both of them in tears. I said to myself, this is the Federal Government here to help me, right? I didn't know what the problem was so I asked. They had been four days in a county northeast of Berkeley trying to help private enterprise and entrepreneurs with loss of property damage such as hotels, motels, and so forth. Having driven approximately 28 to 32 miles into our county coming from that area, saw the devastation, and saw thousands of people standing at two feeding sites waiting to be fed, they became frustrated with their role as volunteers with FEMA and felt that they should have been directed to come to places like Berkeley County sooner, and that was what I had been saying for several days. So there was no cavalier attitude by those two ladies. But later on some other volunteers did pick up the attitude of just another day at the office when I saw 500 or 600 people standing in line in the rain to be served by that agency. Remembering we did lose all of the gymnasiums, all of the large schools, we did the best we could. Admittedly, it did not have all the amenities that the agency maybe would have liked, but it was adequate and did serve well.

Mr. Anderson. How did you eventually get the corps tasked to administer contracts for debris removal? And why was FEMA reluctant?

Mr. Flynn. I don't think I can answer why they were reluctant except I found out in dealing with the corps and with FEMA later on that there had been some problems in other disasters where they thought there had been cost overruns that were created by the Corps of Engineers handling contracts. The way we finally got it off the ground is the three counties of Berkeley, Charleston, and Dorchester met with the Governor's staff and when we decided that a county such as Charleston, with a population and the expertise of staff and the size of staff admittedly could not handle the contracts because of the many multitude of governments in that area, Mr. Stan McKinney was then heading up the Governor's staff, I think we were able to convince the Governor's staff and later convince FEMA that Berkeley, Charleston, and Dorchester did not have the ability.

And let me just say with maybe some prejudice here, I invested 20 years of my life while in the military. I have travelled around this world in all four directions. I, as Mr. Fox, have been in other disaster areas where we were able to move more equipment in 24 hours around the world than I could move in 24 days into the Berkeley, Charleston, Dorchester area, so maybe I became a little frustrated with that. Also, on my staff in Berkeley County, the county professional engineer has 21 years and retired from the Corps of Engineers as a Lieutenant Colonel and had been the director of the Charleston District Office, so he also came with some expertise about what he thought the corps could and could not do.

Mr. ANDERSON. Who decided initially that all five Disaster Assistance Centers would be in Charleston County?

Mr. FLYNN. Mr. Chairman, I cannot answer. I do not know. I was dealing strictly with trying to get on into Berkeley County. I did get a phone call from the Disaster Field Office that Berkeley County will be getting a DAC when we close one down of the five located in Charleston County. I don't really know who makes that decision. Stan, maybe you can answer that.

Mr. ANDERSON. The next question you almost answered before. What do you do when FEMA gives you an unrealistic reimbursement level such as the $0.85 an hour for chain saw rental? Do you appeal the decision or do you absorb the cost difference yourself?

Mr. FLYNN. First, you appeal the decision, which we did, and now we are absorbing the cost.

Mr. ANDERSON. That completes my questions. I want to thank you for the hat that you gave me. Incidentally, it raised another question, one of the Members who was here a moment ago asked "Gimme 12." Gimme 12 what?

Mr. FLYNN. I was hoping you would ask that. Gimme 12 months. We were asking the people in South Carolina to give us 12 months without open burning. We have had a couple of disasters already where people have gone against the regulations and against our will and tried to do some outside burning. I know of two cases where people actually injured themselves by pouring a volatile substance onto open fires and both had to be hospitalized.

Mr. Chairman, let me just say that it really should read "Gimme 36" because we know that 12 months from now the debris that is down that cannot be removed from private property and from the National Forest will be even more volatile in the next 12 months.

Mr. ANDERSON. Thank you, gentlemen, for your testimony here today.

[Mr. McKinney's prepared statement appears on page 280.]

[Mr. Myers' prepared statement appears on page 286.]

[Mr. Flynn's prepared statement appears on page 228.]

[Mr. Wolfe's prepared statement appears on page 312.]

[Mr. Fox's prepared statement appears on page 264.]

Mr. ANDERSON. It has been suggested that due to time constraints we will submit questions to Mr. Wolfe and Mr. Fox in writing, and include their written responses as part of the hearing record.

It is also suggested that we break for lunch and resume at 1:30. Let's say 1:15. I will be back and if you are not here, I will wait until 1:30, at which time our next panel will come on. With that understanding, our subcommittee now stands in recess until I come back about 1:15 or 1:30.

[Whereupon, the committee recessed, to reconvene at 1:15 p.m. the same day.]

AFTERNOON SESSION

Mr. ANDERSON. The meeting will come to order, and we will have a second panel now consisting of State and county officials from California involved in the emergency management and recovery from the Loma Prieta earthquake. We will hear testimony from Mr. Charles Wynne, Chief of Disaster Assistance for the State of California; and from Mrs. Maggie Erickson, a Ventura County Supervisor, testifying on behalf of the National Association of Counties. And we have Supervisor Fred Keeley. The Chair will now recognize the Honorable Norm Mineta who will introduce the Santa Clara Manager.

Mr. MINETA. Mr. Chairman, thank you very much. I am really pleased to have this opportunity to introduce a very close friend of mine who is the Manager of the Office of Emergency Services for Santa Clara County, Chief Earl Thompson. Chief Thompson has been involved in emergency services for his entire life. He served on the Palo Alto Fire Department for five years and then moved to the City of San Jose Fire Department where he rose through the ranks and held a number of important positions. During my tenure as mayor, Mr. Chairman, I worked very closely with Earl. He was a Battalion Chief and then Fire Marshal and eventually became our Assistant Fire Chief, and was in that position for over 10 years.

Earl Thompson has acted as Manager of the Office of Emergency Services, Santa Clara County for the last four and a half years. He served as Acting Director of San Jose's Emergency Operations Center during the 1982, 1983 and 1986 floods, the 1985 Lexington fire, and the earthquakes of 1984 and 1989.

During the immediate aftermath of the 1989 Loma Prieta earthquake, I saw Chief Thompson move into action to adroitly coordinate emergency services for all of Santa Clara County. As I mentioned yesterday, Mr. Chairman, Secretary Skinner, Mrs. Quayle, Congressman Edwards and I were able to fly into Moffet Field at about 3:00 in the morning, 2:30 in the morning right after the earthquake and we saw what Santa Clara County was doing or had instituted right after the earthquake.

In this capacity, Earl worked very closely with the Federal Emergency Management Agency, and he has participated in all of the various stages of our County's recovery, and during this time he was able to observe FEMA's response to a variety of crises. I believe that Chief Thompson is uniquely qualified to offer insights into the value and quality of FEMA's assistance.

So, Mr. Chairman, I am pleased to have this opportunity to introduce Chief Thompson before our subcommittee. Thank you very much.

Mr. ANDERSON. Thank you, Norm. And, Mr. Thompson, we are very glad you are here—I am, in particular, because Norm Mineta and I used to be mayors years ago. I made the mistake, I guess of going to the State Legislature before I came to Congress. But I was back here when Norm came back here. Then I had the opportunity and the pleasure of going out to California the same time he first went back. We visited the City Hall together. Every woman who worked in the City Hall came up and kissed him. I want you to know that I went back to my city many times and no one has ever kissed me. So I often wonder what kind of an operation you people have down there. It is a friendly city.

Would the panel members rise and raise your right hands please.

[Witnesses sworn.]

Mr. ANDERSON. Thank you very much.

Our first witness is Ms. Margaret H. Erickson, Ventura County Supervisor, Ventura, California, with the National Association of Counties.

TESTIMONY OF GRANT C. PETERSON, ASSOCIATE DIRECTOR, STATE AND LOCAL PROGRAMS AND LOCAL PROGRAMS AND SUPPORT, FEDERAL EMERGENCY MANAGEMENT AGENCY, ACCOMPANIED BY GREGG CHAPPELL, ASSISTANT ASSOCIATE DIRECTOR, OFFICE OF DISASTER ASSISTANCE PROGRAMS AND JOSEPH MUCKERMAN, DEPARTMENT OF DEFENSE, DIRECTOR OF EMERGENCY PLANNING, OFFICE OF THE DEPUTY UNDER SECRETARY OF DEFENSE FOR SECURITY POLICY

Ms. ERICKSON. Thank you, Mr. Chairman. I appreciate the opportunity to speak before the others since my testimony is somewhat more general and does reflect some of the conversations which we have had at NACo. I am a County Supervisor from Ventura County, California and serve as the Chair of the National Association of Counties Emergency Management Subcommittee. I also Chair the California Association of County Supervisors Health and Welfare Committee and serve on CSAC's Executive Committee.

My active involvement with disaster assistance and with FEMA began when Ventura County was declared a Federal disaster area in 1980 in the wake of a devastating flood. Subsequently in 1982 as Chair of the Ventura County Board, I was a member of the County's Unified Disaster Council. That Council has the coordinating responsibility for emergency resources and response among the county, the cities, private service organizations and others that are involved in disaster preparedness and response.

Again, in 1983 when Ventura County experienced another widespread flooding event and was one of a number of counties that were included in the Federal Disaster Declaration. And then most recently in 1985 the district which I served, District Three, was struck by a major fire that swept through the area burning 118,000 acres of Los Padres National Forest and a lot of the surrounding county lands. That major event was subsequently declared a Federal disaster by President Reagan.

Those experiences are what have given me and my fellow supervisors some insight into the nature and effectiveness of Federal disaster assistance.

Today I would like to provide a general perspective on FEMA that is based in part on NACo's assessment, the National Association of County's assessment on the Agency's performance since its formation in 1979 coupled also with some of my own first-hand experiences, including a workshop at NACo in which we listened to representatives from both coasts talk about their current experiences with FEMA. Fortunately, I should quickly add that Ventura County was not directly involved in the recent Loma Prieta earthquake. We are about 300 miles south of the area of Aptos in Santa Cruz County which was the epicenter of that quake. I will leave it to Supervisor Keeley to talk to you in some detail about the impact there, about the CSAC Earthquake Relief Legislative Task Force and to perhaps present some of CSAC's insight into that disaster.

Instead, I would like to comment on some major issues that I think directly relate to FEMA and which are of concern to NACo and to all State and local governments. But perhaps before I do that, I would like to do one other thing. I would like to commend you, Mr. Chairman and the members of this Oversight Committee, for examining the recent performance of FEMA. It's evidence of your recognition of the need to constantly improve our ability to help each other in an emergency. NACo recognizes this partnership between local government and FEMA and we thank you for working with us.

I have to share with you a story—and I hope this is not out of order—but I would like to share with you a story of a man who was caught in a disaster; perhaps you are familiar with this story. It was a great flood and the waters around his house got higher and higher, and finally he went to the second floor of his house when a rowboat came by and said, quick if you will get into the boat, I will save you. He said, no, I trust God and I am sure he will save me. Well, the waters rose higher and he went to the rooftop and a motorboat came by and said, quick, man, if you will get in the boat, we will save you. He said, no, no; that's all right. I trust God and I am sure that he will save me. Well, finally he was clinging to the chimney when as the waters were rising a helicopter came by and let down the rope and said, quick, hang onto the rope and we will save you. Same answer; no, I trust God and I am sure that he will save me. Well, in the end the flood waters rose and the man was swept away and drowned. In the next scene he is talking to St. Peter. And as he talks to St. Peter, he says, you know, St. Peter, I don't understand. I've trusted God and I thought he was going to save me. And St. Peter scratches his head and says, you know, we don't understand what happened either. We sent two boats and a helicopter.

Well, I share that story with you to illustrate the fact that none of us can sit back and expect God to do it all for us. We, in fact, need to work together to make sure that we are prepared for any emergency which faces us. So, thank you for working with us to make sure that we are prepared in whatever emergency comes.

In the beginning, let me say that I believe that FEMA operates at three basic levels. Perhaps there's been some discussion of this already this morning and perhaps we are all not in agreement with this. But I believe that FEMA does operate in three ways: (1) helping jurisdictions prepare for disasters; (2) assisting them in responding to disasters; and, finally, (3) helping communities in recovery operations. And of these modalities the most troublesome for FEMA and for us are the response and the recovery operations. But all of these activities I believe require a solid reservoir of power, a high level of professionalism, and immediate hands-on experience. Those three are the three things that I would like to talk about for a few moments—the reservoir of power and where it comes from, the level of professionalism that's needed, and what immediate hands-on experience means to local government.

First of all, in terms of power, the overwhelming function of FEMA which spans the preparation, the response and the recovery phases, is the coordination of Federal effort. This function is necessary in getting independent Federal agencies, the military and the voluntary sector to work together in a coordinated manner during a period of crisis. And I believe testimony both yesterday and this morning from those on the East Coast and even the Chairman's comments at the beginning of this session today indicated the need to coordinate those activities from the Federal level. It's clear to us that this coordination could only be successfully accomplished at the highest level of government. That is, the Executive Office of the President.

For 20 years, from the mid-fifties to the early seventies, this critical responsibility was centered in the Office of Emergency Preparedness within the Executive Office of the President. Then in 1973 OEP was moved out of the White House, and as part of a reorganization plan, the Federal Disaster Assistance Function was transferred to HUD where it remained for several years. Then in 1979 FEMA, the Federal Emergency Management Agency, was created to unify emergency management and to consolidate a number of related activities such as flood insurance, the Fire Academy, Civil Defense and Disaster Assistance in one agency. Mr. Chairman, the Disaster Assistance Program is still referred to as the President's Program, but there's one major difference; it's no longer in the President's office.

There was a major article entitled "In the Eye of the Storm" by Steve Piacente which appeared in the December 1989 issue of Government Executive, some of you may have had an opportunity to read that, which implied that "FEMA was no longer in charge" of coordinating Federal effort when the earthquake struck on October 17th. In the wake of some criticism following FEMA's role in the Hugo disaster, the article asserts that John Sununu was calling the shots. The implication that the White House had to take over the coordination function illustrates our point that the job can't be effectively accomplished without the power of the White House behind it, without having the respect and the status that comes from that office.

Our second point—that of FEMA's status as a public safety agency or its professionalism—our second point pertains to that professionalism. If you were to compare FEMA to other agencies of the Federal Government with public safety responsibilities, there really are some very glaring differences. At the FBI for example, no one can head up a regional office without first being promoted through the ranks, and all the new agents at the Bureau are required to complete an extensive training program at the FBI Academy in Quantico before reporting to active duty. At the Centers for Disease Control or at the Federal Aviation Administration specialized training or educational requirements have been established for specialized positions. At FEMA all the regional directors are political appointees despite the highly specialized nature of the work. For these and other high level positions there are apparently no requirements other than perhaps to have been active in the political party in power.

Michael Wines writing in the New York Times of October 25, 1989 under the headline "U.S. Relief Agency Seeks Relief From Criticism" discussed one of FEMA's problems. "The agency has been without a permanent director since June. Its senior posts are filled not with disaster-relief experts, but with political appointees of varying ability."

Mr. Chairman, NACo strongly favors enhancing the level of professionalism at FEMA. We would urge that the committee carefully analyze training and staff requirements at FEMA in relation to other Federal public safety agencies with comparable responsibility and authority. This is not to suggest that there aren't a number of very outstanding career professionals at FEMA; there are. All we are saying is that this agency has the major mission of protecting human life and property and that the level of professionalism at the Agency needs to be enhanced. The fact that there has been no director since June is certainly very troubling to us.

And, finally, the third concern that I have which has to do with first response capability or hands-on experience. Let me begin by saying that NACo has a very strong bias in favor of local decisionmaking and control during the time of an emergency or a disaster and actively supports the essential responsibility of local governments to be prepared including participating in FEMA disaster training and making sure that each of us at the local level are prepared and able to do the very best job that we can.

We also recognize, though, that there are major disasters and catastrophes that—which are so totally devastating that the capacity of the county or of the State to respond appropriately is non-existent. In those circumstances, Mr. Chairman, a first response capability at FEMA is necessary. Let me also add that under all circumstances we would expect that FEMA would be a strong and valuable advisor and partner in the response and recovery operations. Even though local governments may lack financial and technical resources because of a disaster to deal with those situations, they almost always have superior knowledge of local needs and capabilities. We have heard testimony of the need to clear off a playing field that the local agency knew needed to happen but was unable to do. We will hear of homeless shelters and the need for that in California that the local government knew about. We've heard about the locations of centers and where to put them. The local governments are the ones who have that kind of knowledge.

In summary then, Mr. Chairman, NACo strongly recommends that the function of coordinating Federal disaster assistance tap the inherent power within the Executive Office of the President.

Second, NACO strongly favors enhancing the level of professionalism at FEMA. And, finally, Mr. Chairman, we need to establish at FEMA a first response capability, not replacing local government as a first line of defense, but to protect human life and property when the front lines are overwhelmed.

I trust that these hearings will result in changes that will create not more bureaucracy but more effective boats and helicopters as we help people caught in life-threatening disasters. Thank you very much.

Mr. ANDERSON. Our second witness will be Mr. Charles Wynne, Chief of the National Disaster Assistance Division, Governor's Office of Emergency Services in Sacramento.

Mr. Wynne.

Mr. WYNNE. Mr. Chairman, on behalf of Governor Deukmejian, I would like to thank you for the opportunity to appear before the subcommittee today. In view of the time constraints and the desire of the committee, I would ask that my prepared remarks be entered into the record and that I take the opportunity to make some comments about some questions and concerns that the members had expressed in yesterday's testimony as well as today's testimony.

One of the questions that came up was the role of the State government in disaster assistance. Since 1983 the Deukmejian Administration in conjunction with the legislative leadership have established a comprehensive program in both public assistance and individual assistance. In part, this was caused by FEMA's response and part by our own exercise of responsibility in providing assistance to affected jurisdictions as well as citizens. At the present time in the individual assistance area the State has a $10,000 supplement to the Federally available $10,400 supplement. The State also has a program for low interest deferred payment loans for housing damage, etc. that supplements the needs of citizens that cannot get relief through SBA or through the Individual and Family Grant Program.

In the public assistance area the Campbell-Cortese-Torres Amendments of the Natural Disaster Assistance Act in 1988 did away with a convoluted formula to assist local agencies in restoring public infrastructure. This formula was based on comparing damages against the level of revenues generated in a jurisdiction. And when we took a look at what had happened in Whittier, in the Whittier earthquake in 1987, we found that had that formula been in place, neither the City nor the County of Los Angeles would have qualified for any State assistance. So the Administration along with the legislature revised the law, and at this point the State has standing authority to provide 75 percent of the non-Federal share and the Governor has discretion in view of the disaster to make that 100 percent of the non-Federal share even without the authority that was granted in the legislation and the special session.

Additionally, the State responded in Hugo, in Loma Prieta. When FEMA indicated that they were unable to staff disaster application centers, the Governor directed that 500 State employees be made available. The request was made on Thursday; we provided the employees on Friday and Saturday and opened the disaster applications on Sunday.

Additionally, the legislature provided as well for some discretionary authority for the Governor to move as much as $20 million on the order of the Director of the Department of Finance to immediately respond to the needs generated in the disaster. In Loma Prieta we advanced $17 million within two weeks of the event against future State claims. This advance allayed a lot of fears on the part of local officials about certainty of funding and also addressed their immediate cash flow problems.

Prior to the earthquake, we had just finished a series of briefings throughout the State concerning the new State laws as well as the Stafford Act. Fortunately, several of those briefings occurred in the disaster area and I believe that the jurisdictions were well prepared in many cases to administer the Stafford Act.

Additionally, one of the issues that came out of our previous disasters was the issue revolving around audit standards and the requirements that were being made upon applicants and the disallowances which followed the auditor's appearance to audit the disaster claims. In this disaster we brought 35 State controller auditors to the field with us to provide technical assistance to the applicants at the time of the disaster. Our theory basically was we wanted to address the issues at the beginning of the disaster and not wait until two or three years down the road only to deal with them at that point.

We have established a program for not only training on a continuing basis, but we've also taken the initiative to put onto the State funded positions people who were previously funded by Federal funds, therefore making them available to us for a longer period of time. And, again, I think it is an exercise of the State's responsibility in the disaster planning area as well as in the disaster recovery area.

Those are some observations and some comments that I felt were necessary to make in view of the questions that I had already heard.

Mr. ANDERSON. The next witness then would be Mr. Earl Thompson then, the Manager of Santa Clara City Office of Emergency Services, County Government Center, San Jose, California.

Mr. THOMPSON. Thank you, Mr. Chairman, and thank you, Congressman Mineta, for your kind remarks. I would like to thank you for giving me the opportunity to testify, and I would like to state that I have with me a brief paper that was provided to me Monday night by the Town of Los Gatos. I will occasionally allude briefly to some of their comments; they tend to fit into comments that I will be making relative to the County's position.

I, like many others testifying before you, experienced the impact of this earthquake both professionally and personally. Professionally I was involved in the response and recovery efforts, both in the initial stages and the long term recovery efforts which are still underway. Even as I testify, our County continues to provide approxmately half a million gallons of water monthly to the Santa Cruz Mountain residents living within Santa Clara County. A portable shower unit also continues to function for those residents without adequate potable or non-potable water. Furthermore, the County

Mental Health Department continues its efforts to alleviate the stress felt by our citizens which intensified after the recent swarm of aftershocks. Our Environmental Health Department has worked unceasingly with the 18 water companies in the mountains in an effort to help them restore their water system.

From a personal perspective, I live in Los Gatos, the community, outside of the mountain area, that was most devastated by the quake. After verifying that my neighbor's house was destroyed and a major leak had developed in the gas main in front of my house, I was obviously concerned about the well-being of my wife. It was not until 11:30 that night that I determined that she was okay and that my house was still standing. Many others at the EOC were unsure of the status of their loved ones, as well.

I'd like to take this opportunity to thank all the agencies with whom we worked during the course of that devastating disaster, including innumerable non-profit agencies without whose help we would not have been able to deal effectively with the disaster. Thousands of private citizens volunteered their time and resources without any thought to personal safety or recompense. It was, indeed, a time of altruistic dedication for the sole purpose of assisting our fellow man. Among those agencies who worked unswervingly for weeks and continue to do so is FEMA. Although much has been said about deficiencies in their programs, it was my experience that they were doing their best with the resources available to them. However, I would be negligent if I did not identify those areas needing attention and improvement.

As the only representative from Santa Clara County testifying before the Committee today, I will attempt to convey the concerns and experiences of not only myself, but others from my County with whom I have conversed, especially those residing in Los Gatos and the Santa Cruz Mountains.

Many of the FEMA personnel with whom we were dealing did not appear to be adequately trained. This may have been because Hurricane Hugo had made unavailable the bulk of the better trained and more experienced personnel. If so, it suggests greater depth of personnel resources are needed. Information received was often incomplete, misleading or inaccurate. Los Gatos made a similar comment in which they said FEMA staff would give differing answers to the same question. Our finance manager experiences a great deal of difficulty and frustration in this regard. Both Los Gatos and our finance people recommend that more training for FEMA staff in needed as well as more frequent updates. If a FEMA policy manual in-house does not exist, one should be created.

The ability to quickly respond to a life-threatening situation—and I give a particular instance here in importation of water to the mountain area—was unnecessarily and excessively delayed because of FEMA and subsequently State requirements. Before we could utilize a readily available National Guard unit to supply an urgent need for water in the mountains, we were required to determine the availability of private sector resources. When we were unable to identify such a resource, FEMA/State OES identified a resource about 80 miles away. Due to a number of factors which I won't describe now, this resource was delayed by about 24 hours, a totally unacceptable delay in a potentially life-threatening situation. We must be able to instantly utilize available resources in the case of an urgent need without concern about such policies as stated above.

We had a shower unit from the National Guard that was sent to our County and serviced the mountain area for several weeks. They provided a much-needed service and did it well. However, in attempting to withdraw and return to the base of operations in San Luis Obispo, much misinformation was disseminated to the news media by both the Guard unit personnel on site, and subsequently command personnel in Sacramento. The misinformation caused our office to appear uncaring.

Two locations were initially identified, Los Gatos and Sunnyvale. The initial contact by FEMA to our office was timely and good information was provided regarding the procedures necessary to open a DAC. However, Sunnyvale was prepared to open, and unnecessarily delayed in the opening by several days due to miscommunication between FEMA and State OES. Also, a DAC was established in the Santa Cruz Mountains without my foreknowledge, preventing me from assuring that adequate local representation was at the DAC.

We continue to receive complaints about the amount of paperwork needed to receive funding. Some of the small water companies in the Santa Cruz Mountains decided against applying or continuing their effort to obtain funding because of what they perceived as excessive bureaucratic roadblocks. I spoke to private parties who went to a DAC, took the paperwork home and discontinued their efforts to get FEMA or SBA funding because of the paperwork.

Our County personnel expressed anguish at the time it takes to process the paperwork, only to discover later that we did not qualify for some of the funds we were initially assured were obtainable. County personnel also complained that FEMA was not always following its own regulations in determining what qualified for funding. There appeared to be inadequate analytical work in Category A and B DSRs wherein projects are routinely rated ineligible. Documentation suggests the opposite is the case. Also, there is inconsistent advice given regarding rules covering administrative costs, mutual aid benefits, and other overhead costs. Los Gatos made a similar comment in which it said, problems have occurred when FEMA policies were changed without informing all affected entities. Earthquake Damage Survey Reports, personnel time involvement, mutual aid reimbursements, and various other FEMA criteria could be better explained. Los Gatos recommends a clear, concise manual with explanations of eligible items and sample forms especially in the area of personnel time sheets. When there are changes, clarification of policy should be faxed or mailed instantly.

There is often excessive delays in receiving funds when insurance is a factor. One should be able to receive a cash advance, less the deductible, much more quickly than we have experienced. Large projects in particular often suffer from extensive delays in receiving funds. The DSRs that are currently in process in our County total $17,874,904. This includes $12 million for the Superior Court Building in San Jose, an historic building site that was extensively damaged. Of the remaining $5,874,904, only $1,560,650 has been approved for payment by FEMA. In other words, about 25 percent. Actually the above represents only about 50 percent of all DSRs in process. Our large projects, other than the courthouse, have not yet been processed.

Historically, we have not approached the 75 percent funding level supposedly granted by FEMA. The Stafford Act Amendments were supposed to correct that, but our experience suggests it hasn't.

Los Gatos made the following observations as well. FEMA SBA maximum loan limit of $500,000 does not meet the financial needs of a number of projects in our area—and they give one example that a damaged building estimated to be $1.4 million. They recommend increasing the limits to more realistic figures. Also, they said FEMA SBA terms and conditions for loans do not provide enough latitude for many disaster recovery situations. SBA loan criteria are as strict and in some cases more strict than conventional loans. While some have had success in SBA process, many are frustrated. They suggest that we investigate the possibility of setting a more flexible standard in terms of SBA loans.

When FEMA disapproves a portion of a DSR, they do not give any advance funds at all. It seems they should advance funds—advance that part of the DSR that has been approved pending our appeal of the disputed portion. Another somewhat minor item but a frustrating one is that DSR numbers often do not match computer printouts provided by them.

Quite often, request for information has been ignored or delayed. Also, the initial disaster information meeting was too perfunctory, being limited to discussion of a time table and no opportunity was given to ask questions of substance.

The Federal Government needs to provide more funds for planning in the high-risk, high-population areas. Specifically, more funds for the EMA Program to local agencies situated in such areas would provide that type of assistance. The Federal Government needs to increase the involvement of county and city emergency program managers and response planning in areas critical to the national economy and/or security. FEMA and State officials should provide an informational pool capability to which local officials can call and inquire about routine matters such as questions of eligibility, procedures and informal advice and counsel. This would allow busy officials to concentrate on more important matters.

The Federal Government should broaden the authority of the State to allow the local agencies to more easily utilize the services of the National Guard. Resources should be more quickly utilized after a Presidentially declared disaster. For example, the FEMA Joint Information Center equipment would have been a valuable asset in this disaster as a public information center in a number of our areas. Medical mutual aid could be significantly enhanced if legislation were passed providing for reimbursement to the private sector for those medical agencies and personnel participating in a Medical Mutual Aid Response Program. Also, more funding should be provided for the development of Emergency Operation Centers designed with the intention to withstand natural disasters rather than solely interested in protection against nuclear attacks.

Printed material should be available now, providing explanation of disaster recovery programs, eligibility requirements and claim procedures. Also, courses should be provided at EMI in these subjects.

FEMA reservists must be properly trained before being sent out to assist victims of a disaster. Los Gatos made a similar comment. Also they commented that they would get differing answers to the same questions from FEMA. DACs should be operated with greater coordination between Federal, State and local officials. Outreach programs designed to inform victims about disaster relief programs must be better coordinated with local officials. FEMA must be able to identify the level of funding available early in the process, provide realism, flexibility, and speed in the allocation of funds to those in need. A monthly meeting is needed to review the status of project requests, rule revisions, funding sources and allocation and clarification of project denials.

Thank you for the opportunity to speak before you. I look forward to improvements that can enhance the response and recovery efforts of us all based on the input you have received the last couple of days.

Mr. ANDERSON. Thank you, Mr. Thompson. Our next witness will be Mr. Fred Keeley, Supervisor, Santa Cruz County, Chairman of the County Supervisor Association of California.

Mr. KEELEY. Thank you, Mr. Chairman, Mr. Mineta, and Mr. McEwen. I am a Santa Cruz Supervisor and chair the CSAC Earthquake Relief Legislative Task Force which is an organization of the 10 counties included in the President's Disaster Declaration. We got together to try to see the whole picture about what was going on with regard to the Loma Prieta earthquake and the degree to which we needed further assistance from the State and Federal Government in order for us to be able to fully recover from that quake.

If I could just take a minute—I know that you're certainly familiar with some of the details of that earthquake. Imagine for a moment though if this building and the land that it is on in 15 seconds would lurch upward three feet and move northerly 12 feet in a lurching way over one-quarter of a minute. It would probably wreak substantial havoc to this building, to its contents and to the people who were in it. That is, in fact, what happened in 15 seconds at 5:04 p.m. on October 17th with the epicenter located in the county that I represent, and it stretched from north of San Francisco down to south of Hollister which is a distance of over 100 miles in length. It was a truly dramatic and frightening experience for anyone who was there.

I think as Chair of the Task Force, it's fair to say that some things happened fairly well right after the disaster. Among those would be that the Governor of California and President of the United States made the appropriate findings and issued the appropriate declarations to declare the area a disaster area which then pulled the trigger on a range of resources made available to the local governments and to the residents. That was very helpful. Mr. Chairman, you and the other members of Congress were I think in a spirit of bipartisanship and true outpouring of sensitivity to the human tragedy that occurred in California, you appropriated some

$3.5 billion in record time to both Hurricane Hugo and to the Loma Prieta Earthquake within days following those events in order to free up resources to be delivered in California and on the East Coast.

The California Legislature and the Governor of California took unprecedented action as well. The Governor of California, breaking with a long-standing personal policy he had of not raising taxes in California, joined with the Democrats in the legislature and chose to raise by a quarter cent the State sales tax for 13 months. And this was all in response to the 62 deaths that occurred, the 3,258 injuries, and 13,224 people who were displaced from their homes.

The other good news is that the emergency response was not half bad. The mutual aid that exists, the agreements that exist between the emergency response entities throughout California were there and they were in place and they responded quickly. We had fire units from hundreds of miles away from Supervisor Erickson's county down the coast and from inland in California, from far up on the Oregon border, traveling into the disaster area to provide assistance. The private aid side of the House was very helpful, the Red Cross was in place.

The bad news is that none of that was enough and none of it was close to enough. The Governor's Department of Finance in California said that the nine previous Presidentially declared disasters in California totalled $1.5 billion in damage. That is all the Presidentially declared disasters cumulatively—$1.5 billion. The Loma Prieta Earthquake by the Department of Finance's estimates—and I must tell you, you know, Mr. Anderson, the Department of Finance in California is not given to making brash predictions. They have estimated that the Loma Prieta Earthquake at an absolute minimum is a $5 billion problem. We had eight percent of the total housing stock in Watsonville destroyed in 15 seconds; 7,600 persons who resided in single-room occupancy hotels, essentially elderly people, poor elderly people were out of those hotels because in many instances they were unreinforced masonry buildings which had either collapsed or were in danger of collapsing and were determined by building inspectors to be structurally unsound. Hundreds of small businesses were damaged, and what it revealed was that the $500,000 cap by the Small Business Administration on providing loans in a disaster situation, that was inadequate. Thousands of homeowners experienced major damage. In my district alone, and I represent a little county and a little district in a little county—we are the smallest land mass county next to San Francisco in the State of California. In my district of 50,000 people, more than 100 homes were fully destroyed—I mean, shaken off their foundations. And yet, we had hundreds of homes with major damage. That pointed out, when you multiplied that throughout the 10-county disaster area, it's very clear that the $100,000 limit that the Small Business Administration has for homeowners is also inadequate, especially if anyone here—certainly Mr. Anderson is familiar with the California housing market—$100,000 for repairs in the California housing market, frankly, doesn't get a whole heck of a lot anymore, which is I'm sure a subject we could talk about some other time.

The real question became at that point after we saw what the Governor and the legislature were willing to do and what the President and the Congress were willing to do, and then we saw what the needs were, the question became in those 10 counties: Did the people who came out there and toured the disaster area, did they mean what they said? When the President came out there with the National Press Corps and visited San Francisco, Oakland and Santa Cruz Counties and walked through the downtown that I represent and stood there in front of the National Press Corps and said he was going to do what it took to help that area recover, did he mean what he said? When the Governor of California three times took that tour with the State Press Corps and told them the same thing, did he mean what he said?

We decided that the most important thing we could do to help answer that question was to make sure that we had the facts on our side. The facts have been put together by the cities and the counties within the President's Disaster Declaration area, and that is a document that has been presented to the staff of your Committee, Mr. Anderson, and it is the Loma Prieta Earthquake Unmet Needs Action Plan by the County Supervisors Association in California. That is a city-by-city, county-by-county, issue-by-issue documentation of the unmet needs from the Loma Prieta Earthquake.

We have determined that there are some $2.9 billion in unmet need from the earthquake. And what that means is that if you take all of the Federal and State appropriations and you take the regulatory and statutory framework in which that money can be appropriated and allocated, there is a $2.9 billion shortfall. Some of that is a matter of political will and money. Some of it is a matter of regulatory interpretation. Some of it is a matter of not having sufficient law to allow the unmet need to be considered eligible costs. It is in a whole range of areas.

Perhaps the most significant area for us right now is the issue of housing. Let me illustrate it by saying this. This is a very common problem that exists right now. A family in Watsonville, a relatively poor family, who is paying $600 a month to rent a house, that house that they rent for $600 as you might imagine is not a great house. It is at the low end of the market for a reason. When the earthquake struck and that house sustained $60,000 worth of damage, the landlord can no longer afford to be able to rent that house at $600 a month. That house now has to rent at $1,200 or $1,300 or $1,400 a month, and that poor family can no longer rent that house. Query: What happens to that poor family? What happens to the hundreds and hundreds of similarly situated families throughout the 10-county area? Now, you have heard earlier from Mr. Wynne that the California Legislature and the Governor have a State program which addresses that to some degree. That was a bill carried by Assembly Member Farr, signed into law by the Governor as part of the 12-bill package that was agreed to by the Governor and the leadership; and, in fact, that is substantively helpful on this point. It is, simply, not enough. It is nowhere near enough. There is a need which far exceeds the ability for that program called the CALDAP Program to address that need.

In order for that need to be addressed, it's our view that there's going to need to be two things that happen on the Federal level.

One is that the Temporary Shelter Program which has time limits to it will need to be extended. If it's not extended, what will happen is the time will run out and those people will have nowhere to go. They will simply have no housing. Now, if it's the policy of the United States Government or the State of California that poor people should be the continuing victims of the disaster, then that is certainly a public policy choice that we have. We would hope at the local government level that that's not the policy option that is selected. Without an extension of the Temporary Shelter Program and an agreement that it will continue to be funded under the existing ratios between the State and Federal government, in fact what will happen is that those people will experience episodic homelessness or they will be cast out of the community.

Secondly, if what happens is that there is an agreement to extend the Temporary Housing Program, then there needs to be something at the end of that Temporary Housing Program which is to say replacement affordable housing. We would hope that what will happen is that Congress and the President and the Governor of California and the State legislature will agree to a partnership which will result in replacement affordable housing in the 10-county area based on need.

I might note that there was one aspect of the Temporary Housing Program that caused many of us considerable concern, and this was that the Anti-Poverty Agencies within the Presidential Disaster Declaration Area found it necessary to have to sue the Federal Emergency Management Agency and received a judgment in their favor, in favor of the Anti-Poverty Agencies regarding mass care and shelter needs and who is eligible for those. There was, frankly, some incredible restrictions placed on the use of temporary shelters following the earthquake. People had to be able to prove that they had been in housing for 30 days or longer; they had to prove that they weren't living in shared housing situations. There were a whole range of criteria that seemed irrelevant to us. It seemed irrelevant because it was hard to imagine someone would come streaming into the disaster area to take advantage of temporary shelter. Frankly, if they did, so what? Maybe that is the price that has to be paid in order to provide temporary shelter. We thought that it was quite distressing that it took successful litigation against FEMA in order to accomplish what we thought was necessary which was mass care and shelter needs in the area.

Another area that I think the Committee might be interested in that we found there was considerable shortfall, and that is in the Hazard Mitigation Program. As the Chair and the members know, when you adopted the Stafford Act in 1988, it created a new program which is the Hazard Mitigation Program. It's an interesting program insofar as the classic split between the Federal Government and local share cost in most disasters is a 75/25 split. The Hazard Mitigation Program created by the Stafford Act is a 50/50 program. Additionally, it has a 10 percent cap on it of all the Damage Survey Reports put together. What's interesting about that program—where you stand depends on where you sit. From where we sit in local government, what's interesting about that is that at the same time that the local governments have extra unbudgeted earthquake expenses, revenue losses from sales tax, transient occupancy, property taxes and so on are declining as a direct consequence of the disaster and there are tremendous cash flow needs for long-term recovery at the same time that you need to do all that. Those trend lines are moving in all the wrong directions. In order to avail yourself of the Hazard Mitigation Program, you have to put 50 percent of the cost of those on the table. We think that that program needs to be looked at in terms of whether or not it's real. If you really want to do something, it seems to us that—and we do believe that that is a useful program in its theory because the theory essentially is let's put the ounce of prevention in place of the pound of cure.

An example that takes place in Santa Cruz County right now in many, many—it repeats itself many times over is that the earthquake caused landslides. Many of those landslides have simply moved a foot or so. In many instances they are perched above a public roadway. If we availed ourselves of the Hazard Mitigation Program, what we could do for $10,000 or $20,000 is stabilize that landslide either by going in and removing all the dirt or a whole variety of techniques that can be used to stabilize landslides. If we don't do that, what will happen is that sometime—and we don't know when; it could happen tomorrow, it could happen the next heavy rain, it could happen in the next earthquake; we don't know. Geologists tell us it will, in fact, move and come down on that public roadway. And then instead of $10 or $20,000 to stabilize it, it's going to be $2-300,000 to fix the public roadway. So the Hazard Mitigation Program is a very good program in its theory. It's application is beyond the reach of local governments, at least in California, at least in the disaster area because of two things. One is the 50 percent local match. And I think we understand at the local level that a fair share of the responsibility for that local match belongs at the State level. But additionally, the 10 percent cap is in our way. We have documented of the—excuse me—of the $2.9 billion of shortfall that we've identified in our report, almost $2 billion of that is hazard mitigation.

Let me just tell you that when the Federal Government calculates these days, what they think they can engage in with regard to hazard mitigation based on the existing formula, they think that's $40 million.

The social services issue is one that I would like to spend a minute talking to you about because I don't think it comes up a lot when we talk about disasters; yet, it's one that if we spend a minute on it, I think it becomes clear that it's a real issue. In Alameda and Monterey and San Francisco and Santa Cruz Counties—those four, four out of the 10—there was a substantial documented need for social services that were stimulated directly by the earthquake. Where most of those are again, related to seniors, related to the residents who were in the single-room occupancy hotels. They are related to poor people who are now displaced out of the marginal housing they were in to start with. What happens is the working poor in many instances now are the non-working poor as a direct consequence of the earthquake. Folks who were just making it are now out of their house, they are now out of the single-room occupancy hotel. Because of the shelter problem, their life which was on the edge to begin with is now a wreck; and as a consequence of that, the general assistance rolls of the county are swelling substantially in those four counties. That general assistance cost is a 100 percent local responsibility in California. It seems to us that there is room for discussion there about whether or not, when there is a Federally declared disaster, whether the local government ought to have to pick up 100 percent of that new general assistance cost. That social service—that is one example of the social service needs, and it is the most dramatic one and it is the most costly one to local governments. There are others that are in our report that I won't go into at this time, but it does raise the question of how we are going to deal with that because it is essentially an entitlement in California and I don't pretend to know if it is elsewhere. But I know that it is in California and we have to deal with that and pay for it at a time when our general funds are taking a tremendous hit as I say due to the sales tax decline and property tax and transient occupancy tax declines.

The other issue that I wanted to spend a moment on is the Sudden and Severe Economic Dislocation Program, a Federal program I am sure you are quite a bit more familiar with than I am. We have a real need for that at this point because in, if I can use two examples, in Santa Cruz County 50 percent of the entire downtown was literally reduced to rubble in 15 seconds. Literally, not figuratively. In Watsonville 38 percent of the downtown was literally reduced to rubble. In San Francisco because of the closure of the Embarcadero Freeway, there are substantial economic hardships in small businesses. Because of the collapse of the I-880 Freeway in Oakland, there are substantial hardships in the City of Oakland for small businesses. They have very real needs in all of those communities for Sudden and Severe Economic Dislocation Grants. This is at a time when the President of the United States has submitted a budget to Congress which calls for the elimination of that program. So it's very distressing to us that we can't even get in to have our turn in the barrel so to speak to try to compete for those if the program is eliminated. So we would hope that you would not go along with that request.

Lastly is an issue about disallowed and unreimbursed costs. As you know, one of the issues that I think stimulated Congress and the President to act in 1988 was the overwhelming documentation that the Federal Government at the time was paying about 40 cents on the dollar in Presidentially declared disasters. Local governments and States were documenting needs and they were being paid about 40 cents on the dollar for it. This created a tremendous hardship. In many cases it was because of essentially interpretations made in an administrative level. Now what has happened is that you have tightened all of that up through the Stafford Act, and it's been hoped that when a serious disaster hits, that, in fact, it would be something different than 40 cents on the dollar. We don't have any figures on that, frankly, to complain about yet, but we don't have anything to cheerlead about either. And the reason for that is because of the timeliness, which is to say slow, of processing Damage Survey Reports, getting final determinations out of the Federal Government, and then we will be able to know better whether or not that 40 cents on the dollar has gotten better and whether the Stafford Act in that regard has been helpful.

I would conclude by saying that on the whole certain things were better in this disaster than we experienced in 1982, 1983 and 1985. The things that were better I think were essentially the intake side of things, which is to say that the Federal Government was there quicker, they had more Disaster Assistance Centers, they had more people manning those Disaster Assistance Centers; but, frankly, the output side has not been much different than what we experienced before. We think that some things are worse—the Temporary Shelter Program and the long-term effects on affordable housing. What's unclear is whether or not hazard mitigation and unreimbursed costs will be addressed at all.

I represent a county that's had several Presidentially declared disasters in the last five years. We're, of course, getting very tired of it and don't know quite what we did to deserve all this, but we hope it's coming to an end. But we have learned a lot of things, and we have tried to put those into our Task Force Report and share them with you, Mr. Chairman, and with the members. And we hope that what will come out of it is essentially a second bite of the apple. We truly need additional assistance from the President and from Congress, from the Governor and from the California Legislature; and, frankly, if we don't get it, what will happen is that you will be collectively sentencing to us a continuing disaster. So we appreciate your assistance in the past and hope we can count on it again. Thank you very much.

Mr. **Anderson**. Thank you, Mr. Keeley. Mr. Keeley, you state in your testimony that the most essential earthquake-related social services and entire projects and activities, which are essential for meaningful recovery, have been declared ineligible for Federal reimbursement. Would you tell us please which specified social services and recovery activities that FEMA has found ineligible for reimbursement?

Mr. **Keeley**. The General Assistance Program is the one that is the most costly to the four counties that I mentioned. San Francisco, Alameda, Monterey and Santa Cruz Counties, that social service program is going to cost us literally millions of dollars because of the increased demand that is absolutely directly and arguably related to the earthquake. That is an unbudgeted item. When we sit down at the county level and work out our general assistance budgets each year, we can do that based on growth trends, based on population trends, based on our past experience over the previous few years. What you can't do is take and factor into that that your existing population is going to have a 10 or 20 percent increase in the general assistance rolls because of a natural disaster. You can't budget for that. So we find ourselves in a budget quandary in that regard. That is as it has been explained to us; that is not an eligible cost under the Stafford Act.

Mr. **Anderson**. I was going to ask you another question, but because it was in Mr. Mineta's area, I thought maybe I should direct the question to him because he's probably more responsible. I was kind of wondering why you, in the Loma Prieta Earthquake, chose Santa Cruz as the epicenter? Was that something that you had any connection with? I'll tell you why; many years ago I was a regent in the University of California when we built the Santa Cruz campus. We built it with the idea that it would be earthquake-proof, as much as you can make simple buildings earthquake-proof. When one of my granddaughters decided to go there and was a student at the University of California at Santa Cruz, she was there when the epicenter of your earthquake was right there. So I have had some experience with that particular quake. It so happens, however, I have heard some fairly good comments about how the campus has withstood—as a matter of fact, the ones I've talked to have been mostly students. But they felt that there was very little damage to the buildings and things themselves. Was that because it was built with earthquake soundness in mind?

Mr. KEELEY. Mr. Chairman, I think when you were Lieutenant Governor in California, you had great foresight to locate that campus in Santa Cruz. It has been of great benefit to us in a whole variety of ways. The more direct answer to your question is yes.

Mr. ANDERSON. In other words, the fact that we built those buildings with the idea of trying to make them earthquake—it had some good results?

Mr. KEELEY. Absolutely. No question about it.

Mr. ANDERSON. Back then the choice was made to try double-decking interstates, and they chose a freeway in my district to be tested as can we double-deck Of course, they promised me when they came down there, that everything would be earthquake-proof. But I've had a lot of people who have said you can't build a double-deck highway earthquake-proof. I don't know; these are things we're going to have to find out. We were told the same thing at the campus; we were trying to make things earthquake-proof. When you tell me that there were probably good results because of that, it gives me hope that maybe we can do something else like double-decking. I'm not asking you to comment; I just wanted to let you know that these things kind of go on, they continue on.

Mr. Keeley, we will let you rest for a bit. Mr. Wynne, have you experienced problems with the Damage Survey Reports? What is FEMA's policy on discrepancies between State and Federal damage estimates?

Mr. WYNNE. Mr. Chairman, this is an issue close to my heart since I'm the Governor's authorized representative and also the Deputy State Coordinating Officer for the Recovery. We have some concerns here, and they principally revolve around some of the same issues that Mr. Thompson has. The administration of the recovery is supposed to be a joint effort. Under the common rule implementation, the Federal Government is supposed to consult with the State, et cetera, and jointly with the local government administer the recovery efforts. What we find in some cases is that because of the demands of the earthquake and the severity of the damage, we had new Federal inspectors who are unfamiliar with the new laws. We had Damage Survey Reports which were written with low estimates of costs which only serve to aggravate the applicant in terms of this is the same thing that happened to us before in 1982, 1983, et cetera. It immediately caused an appeal situation in which the applicant and our time at the State level is taken up on appeal. Instead of redressing the issue at the DSR level and prior to that, we're now into formal appeals. I don't think the local applicant nor the State want to be into formal paper appeals when we think we could solve the problems more precisely by identifying good unit prices and identifying the scope of work correctly on the Damage Survey Report.

In addition, there's an issue in which we believe in some cases the Damage Survey Report initially agreed to by the applicant has been subsequently changed at the DFO level by the Federal inspectors without the knowledge of the State. I have brought this to the attention of the FEMA regional director as well as FEMA National Office, and I suspect that we will have a remedy in the near future for that. It's certainly something that causes me great concern because I'm in the recovery business for years, and I would rather solve the problems at the beginning than solve them at the audit resolution phase years down the road.

Mr. **Anderson**. Mr. Wynne, what percentage of your public assistance applicants are private non-profits? How does FEMA respond to them and how does it define essential governmental services?

Mr. **Wynne**. The expanded definition of private non-profits gives not only the State as well as the private non-profits concerned and I believe it also concerns FEMA. The expanded definition of what is an essential governmental service, I think we need to get some greater clarification perhaps from the Congress or from FEMA as to what exactly is an essential governmental service. Additionally, in this disaster approximately one-third of the total applicants are private non-profits. These are in many cases well-deserving organizations which are providing essential governmental services which have very small staffs and sometimes voluntary staffs which are already strained by the effects of the disaster. What we find is because of the lack of definition, we're, again, into an appeals situation creating volumes of paperwork once again instead of redressing the issue, and we see an inconsistency in the application of the decisions. We also see that in many cases local officials for FEMA have to go back to National to get a determination, and we suggest that at least prior to the next event we get greater clarification as to what is an essential governmental service and how does it apply across the board instead of some rather arbitrary decisions based on—well, we had the Boys and Girls Club of San Mateo County I think initially denied because of age discrimination and that it wasn't open to the general public because of some minimal membership fees which in many cases were waived. We prevailed and FEMA changed its determination in that case and in a number of other cases. But I think it is indicative of the issue here—I think all of us would like some better clarification of what truly is an essential governmental service.

Mr. **Anderson**. Mr. Wynne, how does FEMA handle upgrading building codes or other facilities standards to guard against future disasters, and is this encouraged or is it reimbursable?

Mr. **Wynne**. Again, the Stafford Act and the regulations which implement the Stafford Act call for eligible costs can be and should be—taking the damaged facility back to its pre-disaster condition plus current codes and standards. In the past, current codes and standards was determined to be codes and standards in place and in force at the time of the disaster. The Stafford Act essentially changed that to encourage people to a greater standard which—you have already heard testimony from the Supervisor that greater codes and standards have a beneficial effect. We're having a little difficulty in this area on an interpretation. We believe that to mean current codes and standards in place and in force at the time of the approved application and not merely those that were in place and in force at the time of the disaster. We are attempting to convince FEMA that that should be the interpretation in order to encourage the implementation of stricter codes and standards.

Mr. ANDERSON. Mrs. Erickson, NACO strongly recommends that coordination of Federal disaster assistance should be located within the Executive Office of the President. How would that prevent it from being a haven for political appointees?

Ms. ERICKSON. It seems to me that you have to put the two recommendations together, Mr. Chairman, that it be located in the Office of the President in order to tap the power or the authority of that office in terms of coordinating national agencies. But at the same time you need to put with it with that recommendation, the recommendation that those people who work at FEMA be trained and well trained to do their job and not be simply political appointees.

Mr. ANDERSON. Mr. Thompson, why did you have to determine the availability of private sector resources before you could use the National Guard to import water? Was this a State or Federal requirement, or what?

Mr. THOMPSON. I've been led to believe—the state, we work through Region II of State Area S, and they deal with FEMA directly in most cases other than when we're talking about DSRs and some recovery efforts. But in requesting them to identify a mission for the National Guard for that water importation, I was advised that it was the standing rule and they didn't say FEMA as such, but since then I've been led to believe that it was based on FEMA's requirements that we have to attempt to utilize any private resource available before we could use the National Guard.

In the situation we found ourselves in we had not identified such a vendor and were not in a position to be able to, partly because of communications problems. When I informed them that we had no such vendor available, they said, well, we'll look around.

Mr. MCEWEN. Who said we'll look around?

Mr. THOMPSON. The individual to whom I was speaking at Region II Office of State OES. And I attempted then to get to speak—this person I was speaking to obviously didn't have much authority, was a volunteer brought in to answer phones and that sort of thing—attempted to be able to talk to someone with whom I had more confidence and was not able to do so. The return call which came sometime later indicated that they had located a resource and that they were going to use that. Found out it was coming from Stockton and some miles, some 80 or so miles away; and I said we need the water now—a deaf ear. The end result is when they were dispatched, they ended up going to the wrong city, the wrong county; and by the time they came and we got water up in the mountains, it was somewhere in the neighborhood of 24 hours late.

Mr. **ANDERSON**. Mr. Thompson, were the FEMA personnel that were inadequately trained reservists? And what is needed to correct the deficiencies? More training or a different system than using reservists?

Mr. **THOMPSON**. By and large the folks we had the most difficulty with were reservists. It's glib perhaps to simply say yes, they need more training or you need a more professional staff. I recognize that when you have a disaster like this, neither state, local or Federal agencies can adequately gear up for it. But it was apparent to us there was a lot of things that could have been done beforehand in the way of training to provide folks like that so that we could have had a little better handle on it and been able to deal more effectively with them.

Mr. **ANDERSON**. And my last question, Mr. Thompson: Are Civil Defense operations and preparedness entirely separate from disaster assistance preparedness within a state? And should there be cross-training and cross-utilization of resources?

Mr. **THOMPSON**. I assume when you say Civil Defense, you're talking about a nuclear war preparation as opposed to natural technological disasters; is that correct?

Mr. **ANDERSON**. I would think so.

Mr. **THOMPSON**. Yes. Well, we use in the state a multi-hazard approach. In fact, our plan is based on multi-hazard, meaning natural, technological and wartime events, and in many areas they overlap. It eliminates a lot of redundancy in the way of training. We, in fact, are doing so-called cross-training in that respect and our main concern is that the emphasis—and it seems to be overwhelmingly Civil Defense concerns as opposed to natural and technological disasters which is what we deal with all the time.

Mr. **ANDERSON**. Mr. McEwen?

Mr. **MCEWEN**. Mr. Wynne, it seems that a lot of the difficulties arise from the State office, the one that was just mentioned. One of the problems seems to be this regulation. It appears to me that if people are without water, then the answer should be how do we get water quickest? That would be a logical response. The question as to whether or not people in Stockton sell water wouldn't cross my mind at that moment. I would say how do we do it now? Is there a fire truck someplace empty they can pump it out of the back so that people can have water? That would be the thought process. Somehow or another these people who love to define regulations come to the fore in disasters and put on their black judicial robes and begin to pontificate to those in need. Do you sense any responsibility here?

Mr. **WYNNE**. Am I accepting any——

Mr. **MCEWEN**. The Office of—what did you call it, Chief?

Mr. **WYNNE**. There's an attempt at the region level to identify resources at the quickest possible, most expeditious manner. I wasn't at the Region II Headquarters, but I was at our State headquarters in Sacramento where they were trying to get the appropriate resources to the most appropriate site in the quickest possible manner. Region II to the best of my recollection was, in fact, overwhelmed because it is relatively close to the epicenter; and having been at Candlestick during the earthquake, things were in pretty bad straits. I think the issue on the water company here—is this the Redwood people? We ended up working with FEMA doing some rather innovative things for Redwood Mutual Water Company which is a private non-profit group providing an essential governmental service. There's one that's clear on its face is an essential governmental service. And we were able to convince FEMA to do some things for that particular mutual water district that we had never done before.

In terms of being able to allocate resources as quickly as possible, it's the Office's policy to try to do that.

Mr. McEWEN. Did the Governor request the assistance of the National Guard immediately?

Mr. WYNNE. No. The Director of the Office of Emergency Service is the Governor's authorized representative. We don't have volumes of regulations to implement. Basically when I task engineers, they show up. I don't have to say I'm the Governor's authorized representative. They show up.

Mr. McEWEN. At what point was the National Guard called in and was there any request from the Governor for other—we had a debate yesterday. Were you here yesterday?

Mr. WYNNE. Yes, sir.

Mr. McEWEN. When we talked about Fort Ord and people wanted to help and they couldn't get to it. What was the problem?

Mr. WYNNE. Well, again, I was at the State Headquarters at that particular time. We were also in the field at that particular time, and I conferred with the representative of the corps that are here today. Local military commanders have some authority of their own to act in—to protect life and property and to render humanitarian aid on their own authority. In terms of—there does appear to be some confusion as to what happens for that direct Department of Defense assistance in terms of whether they're going to utilize their own authorities or they're going to wait for a mission assignment from FEMA. I agree that we should be responding in the most expeditious manner in how we actually do that.

Mr. McEWEN. Let me try it again. Fort Ord is over there. They have a lot of supplies. Those people need help. How come we can't get the two together?

Mr. WYNNE. Well, I can't answer the question as to that particular situation.

Mr. McEWEN. Is the Governor supposed to ask for it?

Mr. WYNNE. The normal chain is that the request comes from the local to the regional office; from the regional office to the State operations center, and a determination is made at that point by the Governor's staff whether or not to ask for direct military assistance.

Mr. McEWEN. And he asks who?

Mr. WYNNE. Well, I don't know.

Mr. McEWEN. The President?

Mr. WYNNE. No. The request would actually then go to FEMA as the representative of the President.

Mr. McEWEN. Does the Governor do that?

Mr. WYNNE. Well, I don't know whether the Governor personally knew that, but the Director of the Office of Emergency Services is authorized to act on his behalf.

Mr. McEWEN. Did you do that?

Mr. **Wynne**. I did not do that.

Mr. **McEwen**. Then help me out. We have Congressional offices who like to figure out ways to fix things. They see people on the street corner and they don't have any beds. We deal with the military all the time. So the military flew this Congressman out. The Army guy says, "I got a whole bunch of cots over here and a whole bunch of tents. If you'll just ask for them, we'll send them." Now we're going to deal with the Army next. I don't know why you have to be asked. But, nevertheless, he needs to be asked. So then it doesn't happen. We now find that you're the communicator and you choose not to ask. Explain that to me, will you?

Mr. **Wynne**. Well, personally there are several Governor's authorized representatives for the State of California at this particular time. I had already started the recovery effort; that's my principal responsibility. However, the responsibility to State Operations Center itself is to try to determine whether or not the resources are already available closer even than maybe the military, already there. That's what the function of the operation——

Mr. **McEwen**. For example what? I just can't grab it. People need help and they say we can't use this cot over here because there might be one over there, and we need to find out if there's one back here before we can check to see—who cares? Why not use them all?

Mr. **Wynne**. I think that's the basic theory——

Mr. **McEwen**. So, therefore, I would have asked Fort Ord yesterday. I'd call them up and say, do you understand everything around here collapsed? Anything you got, can you bring it now? Nobody would have to say to me find out if Joe Schmo's laundromat down in San Jose has 15 cots left over and if he gets back with me on Tuesday and he says no, then I'll send a letter up to Fort Ord. I couldn't do that. I wouldn't be doing that. I would be asking everybody for everything all the time. It seems to me that would be the logical response.

Mr. **Wynne**. It would appear to me that would be the logical response as well.

Mr. **McEwen**. But it doesn't appear from your response that if you had it to do over again, you'd do it any differently.

Mr. **Wynne**. Well, I think we're making some improvements as to where the resources are in terms of—and using the computers to make sure that we're not asking for something that isn't there and asking for the closest ones there, too, given the situations in terms of transportation as well. Several of the roads, State Route 17 and a few other places along the disaster area were closed and I think we were making an attempt to provide the assistance in a timely manner. Why, in fact, it didn't happen is the subject of the hearing.

Mr. **McEwen**. Well, let me tell you. When I started this hearing, I was 180 degrees different from where I am now. I thought everybody had worked hard and if you listen to Grant Peterson's story you'll find out he worked 24 hours a day and he did—he was busy as a little beaver and he made all kinds of phone calls and had all kinds of meetings. He figured he was doing the best he can. You find out that there is a whole lot of lack of coordination, misunderstanding and lack of appreciation for what needs to be done. And the longer it goes on, the more I feel FEMA just really has to be done away with. We're going to have to have somebody that can do something. We're going to have to have an Office of Emergency Preparedness that goes in there and acts. What it appears now is you have a disaster, everybody sits around for 24 hours, 48 hours. Everything is pretty fouled up. Now we can begin to go to work. And you all just line up here at my door and we'll pass out forms. During the 24-hour period when you need water—have you ever tried to live without water for five or six hours? Let me tell you, it's a mess. They turned the water off accidentally at our house for two and a half hours. We have three children under two years of age—I'm telling you the place came apart. It absolutely came apart. You can't live without water. You can't flush, you can't wash, you can't do anything. You go without water, it's bad.

Now, we have some guy sitting down there in Sacramento and he says go check with Stockton. We're going to have to have somebody that can come in and say look we've got to move. And we've got all these tanks. Why do we have tanks? Why do we take tours of Fort Ord and they show you all those tanks lined up? Because there might be a disaster sometime and you have to use them. Not just to fill up parking space. You presume the occasion would come when you'd have to use them. And when the occasion comes when you have to use it.

So, therefore, it's going to take a total reorganization in my mind; totally reorganized.

Mr. ANDERSON. FEMA and DOD will be on next. Mr. Mineta?

Mr. MINETA. Mr. Chairman, thank you very much.

Mr. ANDERSON. I was wondering if you've got a lot of questions, maybe what we should do is submit the questions to them, have them answer them for the record, so we can go vote.

Mr. MINETA. All right, let me very quickly then just ask Mr. Wynne. First of all, given your testimony here, are you fully satisfied with where you are right now as the Chief of Disaster Assistance for the Office of Emergency Services with regard to the Loma Prieta Earthquake in terms of the delivery of services and the fact that things are just hunky-dory?

Mr. WYNNE. No. I do not believe that things are hunky-dory at all. You know, we put in a lot of effort. We're still in six-day weeks and overtime ourselves.

Mr. MINETA. Is that process or is that just how screwed up the office is? I can't tell.

Mr. WYNNE. Well, I think part of it is the process, part of it is the FEMA, to be honest.

Mr. MINETA. Don't shift it over to FEMA. What about the Office of OES?

Mr. WYNNE. Well, I think——

Mr. MINETA. Well, frankly—don't treat us like a bunch of mushrooms up here keeping us in the dark and trying to feed us a lot of manure. The Office of Emergency Services right now has a huge backlog of individual and family grant applications relating to the Loma Prieta Earthquake, huge backlog. Are you satisfied with that?

Mr. WYNNE. No, we're not.

Mr. **Mineta**. Then why is it that not one word is even mentioned in your statement? Frankly, if B.S. were concrete, this is Hoover Dam. Your statement here, frankly—I don't know who wrote this thing but this is nonsense. Reading this thing, you'd think there's nothing wrong, everything is fine. We worked hard, we did everything that was necessary. I want you to come down to my office in San Jose. I want you to go to Congressman Panetta's office in Monterey. I want you to go to Congressman Campbell's office in Sunnyvale and process those applications that are sitting there because someone can't make a decision. I don't understand it. If this is supposed to be the Office of Emergency Services, there are two words—emergency and the other is services. And services are not being provided. Now why?

Mr. **Wynne**. Well, I think—the Department of Social Services has the actual program responsibility for administering the individual and family grant programs. Part of it is the process in terms of the requirements that go through all the steps in terms of applying for the Small Business Administration Loan Program first and then being referred to the individual and family grant program. I agree, sir, it is a very complicated system.

Mr. **Mineta**. You know, someone goes and qualifies for a loan and they say I'm sorry, you can't qualify for a four percent 30-year loan. And then they turn around and say we're going to give you an eight-year—eight percent three-year loan. Give me a break. If you can't qualify for a four percent 30-year loan, how is a person going to qualify for an eight percent three-year loan. I got to California the night of the earthquake. We've had to live with this thing. I don't understand it. I don't know why things can't be done. Is it a software incompatibility in terms of this backlog of individual and family grants? Is it—I just don't understand it. Looking at this statement of yours, sweetness and light; everything is okay. We got a few glitches, but everything is under control. I just can't buy that, Mr. Wynne. I'm sorry.

Mr. **Anderson**. There's no time left and I won't pursue this anymore. Do we have a second call?

Mr. **Anderson**. We have five minutes; we should be back in about 25 or 30 minutes. At that time we could hear from the next panel who wants to testify here today—FEMA and DOD. I would think this present panel would be interested to hear what FEMA had to say.

We will recess at this time. We'll be back here at 3:45. At that time we will take up the FEMA and the DOD.

[Ms. Erickson's prepared statement appears on page 221.]

[Mr. Wynne's prepared statement appears on page 317.]

[Mr. Thompson's prepared statement appears on page 307.]

[Mr. Keeley's prepared statement appears on page 271.]

[Recess.]

Mr. **Anderson**. The meeting will come to order. Our final panel today consists of representatives from the Federal Emergency Management Agency who will address many of the issues raised over these past two days of hearings. We look forward to the testimony of Mr. Grant Peterson, FEMA's Associate Director for State and Local Programs. He is accompanied by Mr. Greg Chappell, the Assistant Director of Disaster Assistance Programs.

We also have with us today a representative from the Department of Defense, Mr. Joseph Muckerman, Director of Emergency Planning, Office of the Deputy Under Secretary of Defense for Security Policy. He will be available to answer any questions that arise regarding the use of the military in the disaster relief effort.

Would you please rise and raise your right hands.

[Witnesses sworn.]

Mr. ANDERSON. Thank you very much. Mr. Peterson, will you begin.

TESTIMONY OF MAGGIE ERICKSON, SUPERVISOR, COUNTY OF VENTURA, CA, ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES ACCOMPANIED BY CHARLES F. WYNNE, CHIEF OF DISASTER ASSISTANCE DIVISION, OFFICE OF EMERGENCY SERVICES, CALIFORNIA; M. EARL THOMPSON, MANAGER, SANTA CLARA COUNTY OFFICE OF EMERGENCY SERVICES, SAN JOSE, CA; AND FRED KEELEY, SUPERVISOR, CITY OF SANTA CRUZ, CA, AND CHAIRMAN, COUNTY SUPERVISOR ASSOCIATION OF CALIFORNIA

Mr. PETERSON. Thank you, Mr. Chairman. It's a privilege to be here today. In the interest of time, I will abbreviate my statement and ask that the full text be made part of the record. I will not dwell on the magnitude and extent of the destruction caused by these disasters. Adequate graphic evidence of that is already a matter to the record before this body. I would, however, like to cite a few statistics to give you some idea of the magnitude of their impact on this agency, FEMA.

In a normal year the President declares approximately 23 major disasters, and FEMA takes about 2,000 applications per disaster for individual assistance and prepares around 500 Damage Survey Reports on affected public facilities. That's the good old average run-of-the-mill disaster. To accomplish this, Congress has given us 233 full-time permanent employees to deal with those 23 disasters a year, and you average giving us around $270 million for the disaster relief fund appropriations which can be accessed once a President has signed. As a result of the two supplemental appropriations, one in 1989 and one in 1990, of $1.1 billion each, FEMA went into fiscal year 1990 not with $270 million, but $2.3 billion. So we gained about $2 billion in about six weeks. We operated 100 Disaster Application Centers, a new record for the agency, and registered almost 385,000 people, not 2,000 for a disaster. Over 300,000 checks totalling almost $630 million have been issued to individuals and families directly from FEMA or FEMA-funded programs through the States. This is equivalent to approximately 7.5 normal years of activity. Certainly we weren't sitting on our backsides for too long with that kind of a requirement, with the overwhelming proportion of this workload coming in three and one-half-month period between mid-September and the end of December.

Almost half of the applicants, 185,000 of them, were taken in the Puerto Rico where at the peak we were processing over 10,000 applications per day. In our Public Assistance Program we will process about 31,000 Damage Survey Reports, roughly equivalent to three normal years of work.

North Carolina—we heard from those people today—was the smallest of the five disaster declarations that we received in a four week period of time for Hugo and for the earthquake. But it was larger than all but three disasters declared by the President since 1986. Further, I think it worthy of noting that we have responded to 17 additional major disasters not counting Hugo and Loma Prieta in the last six months, a most unusual year.

Any system that is subjected to the stress indicated by these statistics, is going to show its weak points fairly quickly and we have some and we've shown them. Many of these I will touch on shortly. But, first, I would like to discuss the things that went reasonably well and the concepts that we validated through this experience.

First, I think the comparatively low death toll in these events is significant and should be noticed. Hugo claimed 33 lives in the Caribbean and 22 in the Carolinas. Not many considering the ferocity of the storm. Loma Prieta Earthquake resulted in 63 deaths, 43 of which were the result of the collapse of a 1.5-mile section of a two-level elevated section of I-880 in Oakland. Compare 63 deaths with the deaths in other earthquakes of less than 7.1 Loma Prieta magnitude—Armenia, 6.9 in magnitude, 25,000 dead, 15,000 injured; Italy, 6.8 in magnitude, 3,000 dead; Nicaragua, 6.2 in magnitude, 11,000 dead. I think the low death toll in last fall's disaster resulted in part from the fact that preparedness and mitigation and exercising of plans works.

For example, FEMA funded studies of potential storm surges combined with evacuation plans developed by the State and local governments of South Carolina. This worked along with the Corps of Engineers and the good work that Governor Campbell did in South Carolina in his emergency management community evacuated 264,000 people. And he should be applauded for that and so should they.

The Emergency Broadcast Systems and the National Warning Systems funded by the Civil Defense Program were used many times in warning and notifying the public. A joint Federal-State of California earthquake exercise called Response '89, where 25 Federal agencies participated and over 600 Federal employees along with the Office of Emergency Management for California, was held in August of last year and was materially responsible for the comparative ease with which the response efforts of the State and the Federal Government were meshed, especially in the early hours. All this underscores the continuing need for planning, training and exercise, activities that are seldom high on the list of most public officials, but for which there is no substitute in time of emergency.

Second, I believe the cooperation among the responding Federal agencies was exceptional. The coordination was good and there was no problem with who gave the orders and who took them. Every cabinet agency played some role in responding to one or more of these disasters and a number of the independent agencies in addition to FEMA also played a major role as well. Key players outside of that group was EPA, GSA and SBA.

From a standing start as it were, the space of about five weeks, the Federal Government was actively involved in assisting State and local governments in providing almost every conceivable governmental service at the local level, including food, water, power, medicine, medical facilities, shelter, transportation, communications and law enforcement. By virtue of its responsibilities under the Stafford Act, FEMA coordinated the Federal response. Literally within hours of Hugo's passage over the Virgin Islands and Puerto Rico, FEMA personnel and communication equipment were on the scene. Many of you probably do not know that we were on the ground in the Virgin Islands 16 hours before the Governor made a request. I questioned where my authority was for that, but we acted and acted quickly. As Hugo approached the mainland, FEMA staff was located in the site emergency operation centers for Florida to North Carolina as you've heard in previous testimony.

FEMA opened its Emergency Information Coordinative Centers in Washington on a round-the-clock basis, staffing it with its own disaster assistance specialists and representatives of other Federal agencies who were playing major roles. Just about the time the EICC activities were winding down, four weeks to the day, Loma Prieta hit on October 17th. Our headquarters emergency support team had the emergency information centers staffed within an hour after the quake. We also called up all 25 other agencies that had the responsibility under the Federal Catastrophic Earthquake Response Plan for a response. I chaired the first meeting of the Catastrophic Disaster Response Group before 11:00 p.m., less than three hours. We were in direct communications with California emergency management community and asked them at that time what do you need. They had no specific requests.

At this point I must also express my admiration and gratitude for the literally thousands of Federal employees who were involved in responding to these disasters. Many of them worked for weeks and months under conditions that were uncomfortable at best and sometimes physically dangerous. Some of them continue to serve in the disaster areas today. Last fall's disaster also demonstrated that mitigation activities are significant in reducing both life and property losses, and you've asked what we can do; and I would say to you, mitigation is the single most important thing we can be doing along with planning and exercising of those plans.

Newer coastal structures as an example were built to meet the flood plain management standards of the National Flood Insurance Program suffered far less damage than structures that did not meet these standards. In California no engineered structure built on the basis of the latest seismic codes collapsed, none.

Finally, but by no means least, the performance of the volunteer agencies in responding to the unprecedented emergency food and sheltering needs of the disaster victims was truly impressive. They were equally stressed in resources and admitted it clearly. In certain locations they are continuing to provide this assistance even today, far beyond their normal time frames.

These lessons learned, however, as could be expected, were not all about successes. The lessons of last fall will not be lost on us, and we are working diligently to identify them. It is in the areas of response and recovery that presents the greatest challenge and opportunities for improvement especially in the area of response. I will now touch on them. But I would ask you to bear with me while I talk a little bit about process. And it has not been articulated here very well in the hearings that I have attended, and I've read all the testimony as of yesterday.

First and foremost, the events of last fall made it plain that the role of the Federal Government under present law is neither universally clear nor accepted. The Stafford Act states that the Federal role is to supplement, not supplant; to supplement, not supplant the response and recovery efforts of State and local governments. Yet, in some instances the State and local responders themselves were disaster victims and the destruction was so widespread and pervasive that the Federal Government became the first responder by default. A significant amount of the criticism we received came from those who believe we did not perform well in this first initial emergency response role, and there is, quite candidly, some basis for that belief. The Stafford Act presupposes a three-tiered layer of response to disasters, and I think this is a very important concept that needs to be understood. Local governments have responsibility for initial emergency response activities. When local capabilities and resources are inadequate, local government requests assistance from the States. When a situation is beyond the combined capability and combined response capability of the State and effective local governments, then and only then the Governor may request a declaration by the President and that is Section 401 of the Stafford Act.

If the situation does warrant a Presidential declaration, the Stafford Act authorizes a broad array of emergency assistance and a number of recovery programs as well. With respect to the emergency assistance, the intent is not to supplant State and local resources and capabilities, but, rather, to supplement them. To do that, FEMA has the authority to receive requests from the State—from the State I said—for emergency assistance and direct the appropriate Federal agency to respond using their own resources or the resources available in the private sector. That is the process. The process is the local governments request assistance from the State, and the State prioritizes and makes subsequent requests to FEMA that they cannot provide. That is the system. If we need to change the system and we don't like that system, then let's say so. But that is the system. Last fall, the public, the media and many elected and appointed officials expected a rapid and sure Federal response. In most cases they knew nothing about the three-tiered governmental response process. They knew about losses and damage and suffering and they wanted it healed. FEMA did coordinate and marshal, transport and deploy massive amounts of resources to meet emergency needs for medical support of water, food, power and sheltering. That was asked for by the State. Everything the State asked for was delivered. Everything we asked of the military because of a State request was delivered. Certainly the Federal response once underway was truly massive, and I wasn't going to touch on a few of these things, but considering some comments in the early stages, I'd like to just touch on a few things we did early on.

Little did people know that there was two battalions of military police, 1,100 people, airlifted to St. Croix at the request of the Governor. I took that request over ham radio. Two air traffic control towers were flown into the Virgin Islands because those airfields were totally destroyed and personnel to run them. Two hundred thousand meals ready to eat were sent to St. Croix and the Virgin Islands and Puerto Rico. Approximately 20 million cubic yards of debris was removed. That's about 975 of these rooms stacked end to end or a five-foot by five-foot section 1,400 miles long. A portable medical hospital taking care of 100 people with 120 personnel flown in is still in operation. Four and a half million pounds of food was airlifted to St. Croix. The airlift of hundreds of utility personnel and equipment. Over 5.5 million square feet of plastic sheeting was installed to provide temporary roofs on St. Croix of over 3,500 houses.

Now, all this was going on about the time that South Carolina got hit. We also have transported and installed 750 mobile homes around the United States from California to 1,500 miles off the coast. We also identified some other things, Mr. Chairman. In some instances, the Federal ability to support life-saving activities in the immediate aftermath of disaster is limited indeed. In recognition of that and as an example of what we could have faced in Loma Prieta and what I believe we will face down the line, is that we could not identify an urban search and rescue capability in the United States to get people out of buildings down. The Administration in the new budget has set forth an initiative to identify a national urban search and rescue capability. And that's some of the things we've learned by this.

Mr. Chairman, one of the key issues I believe the Federal Government needs to better define its role as a first responder in both catastrophic and non-catastrophic disasters. What do you want us to be? Such a definition holds significant implications for the types of authority and resources that might be required. If we're going to be first responders, we can't do it under the legislation we have. It will have to be modified. Closely related to this is FEMA's very limited authority to deploy staff and equipment to disaster areas prior to a Governor's request for assistance under the Stafford Act. We did that, flew C-141s in with communications equipment and our people 16 hours before we could find the Governor. It wasn't his fault; he just couldn't talk across the street. Where was our authority for that? Well, I think that's what we should be able to do, but I don't want to have to be the guy on point with a GAO audit staring me in the face if I do something proactive.

Second, it is clear to us that much more needs to be done to upgrade the capabilities of State and local emergency management communities in responding to disasters and in serving the link between the recovery efforts of the State and the assistance being provided by the Federal Government.

Third, there are a number of organizational and logistic issues that grew out of last fall's experience. We're exploring options for a transportable capability to sustain our initial on-sight staff in a catastrophic disaster. I'd like to give you an example. When I flew that C-141 in, 16 hours before the Governor's declaration, I sent a communication van and 16 people in there with virtually no support equipment into a hostile environment where guns were going off and no support equipment. That's unacceptable; we have nothing in our budget to allow us to support that. The first response mode, we need that capability.

Fourth, we are reviewing our policy and procedures as they relate to public information and Congressional relations. This was a very weak area for FEMA. We have four Congressional people for this agency, none in the field. We have 10 regional offices and not one Congressional person authorized. We have three public official press people full time and one in the region. We needed to do a much better job in that; we did not communicate well with Congress and we're going to do that better. I think we did better in Loma Prieta.

Fifth, there are a host of issues associated with the provisions of individual assistance under the Stafford Act. You've heard a lot of them here today; there's validity to many of them. Most of these are under current review, but we are not prepared to say where the legislative changes will be required. I think administrative changes can correct many of these circumstances. We're looking at the relationship between temporary housing, individual and family grant and SBA Disaster Loan Programs. We've got a real disconnect between SBA. Time-consuming, multiple forms, and we have to wait until someone is rejected to give them a grant. That's not the way we ought to be doing business. We're looking carefully at the manner and the forms in which we provide temporary housing assistance and we are exploring the use of telephone application procedures as a supplement to the Disaster Application Centers. Forty-five thousand applications were taken over the phone.

In the public assistance area there's a clear need for more precise definition to private non-profit organizations as eligible applicants for assistance. The average prior to the Stafford Act was 6.3 percent for non-profit organizations; now it's 33 percent. We need a clear definition of what is essential government. Also, we have found that the States have been slow to take advantage of the flexibility provided for small grant procedures.

Further, we are looking at Federal programs for post-disaster mitigation programs which I have a lot of hope for and activity to see whether they should be expanded to cover all types of natural hazards.

Internally FEMA is conducting a thorough study of its administrative system for hiring disaster assistance employees and for their training and deployment. We are embarking on a comprehensive review of our automated support system and are exploring opportunities for improved training of our employees and those of the State and local governments.

Finally, we've identified some areas in which our relationship with the disaster-related programs of other Federal agencies should be improved; such as in dealing with education, and we are in the process of discussing these with the appropriate agencies and with the Office of Management and Budget.

Mr. Chairman, we have conducted numerous field reviews with the staffs that responded to Hugo and Loma Prieta to get their input on these issues. I and my headquarters staff will be meeting with the disaster field staff once more in Baltimore next week. The purpose is to prepare for the upcoming hurricane season and get administrative changes on line. Mr. Keeley said he hopes he's healing and that pretty soon he may not have to worry about these circumstances in California. I would submit to you, Mr. Chairman and this Congress, we haven't seen anything yet and we better get ready for it. Thank you very much. I stand for questions.

Mr. ANDERSON. Mr. Peterson, thank you.

Mr. PETERSON. Thank you, sir.

Mr. ANDERSON. Under what circumstances, Mr. Peterson, would FEMA use the Section 301 waiver of administrative conditions under the Stafford Act, and has it ever been used?

Mr. PETERSON. It has not been utilized, sir, at this point in time.

Mr. ANDERSON. I was wondering if wouldn't waiving some of the requirements and paperwork for receiving assistance after a major disaster, wouldn't that greatly expedite the process?

Mr. PETERSON. I would concur that we can waive a whole bunch of things which will expedite the process. The question is what is appropriate to be waived during that process? I don't like being called a bureaucrat, very respectfully, sir, because I came from the private sector for 17 years and was a county commissioner first. But I also have a mandate I believe from this Congress to ensure that we are not throwing Federal money away unnecessarily. Now, there is a delicate balance. I'm willing to waive on almost any issue of lifesaving need where there is not a capability to meet that need. We did not require paperwork from the Virgin Islands to fly into the Virgin Islands; we did not require paperwork to provide any of the things that I listed on emergency response for lifesaving capabilities. We're doing all that after the fact. So we have waived a lot of requirements under the condition that we're dealing with honorable people in times of distress and that we need to respond for lifesaving capabilities. So I think from that context, we have been very liberal in allowing things to happen. I don't have hardly any bills from the Department of Defense yet, and we call them up on the phone and I said I need four million pounds of food. Agriculture delivered it; DOT gave trucks; we put them on military airplanes; we sent out the military to the islands to unload it and distribute it. No paperwork.

Mr. ANDERSON. Could FEMA require the Department of Defense to provide supplies and services either before or after a disaster declaration and waive reimbursement to DOD?

Mr. PETERSON. We have that authority. I think it's not necessary and it's a bad practice because we have the ability to task through a specific process that is sanctioned by the State which pays 25 percent of the bill and should be part of the partnership. So the Stafford Act clearly gives us the authority to task DOD or any other agency.

Mr. ANDERSON. Why didn't you use this authority?

Mr. PETERSON. I don't think we had to use it. There was no requirement except for one issue I'd like to bring up because it's been bandied about considerably, and that—I got a military base here and I got five military bases here and why didn't those folks go? Well, I think I can candidly give you an answer; and if my friend to the left from DOD doesn't agree, he's free to jump in. If we task the Department of Defense to provide anything—airplanes, generators, whatever—it is understood that when I make that phone call, FEMA will pay for it under the Stafford Act. It is also understood that the State has set that as a priority and has requested us to deliver it. And they're going to pay 25 percent of the bill. Now, if this commander out here in this base is asked, let's say by a local mayor, to come on in and help me get rid of debris, that local base commander can do that. No problem. But he assumes the financial burden and therein is the linchpin. And therein is the hesitancy. You want to see the States use the military more often as a priority, all you have to do is waive the 75 percent in the law and make it 100 percent and you'll see the military asked for a whole bunch more. That's being very candid from my analysis, sir.

Mr. ANDERSON. What does FEMA use the Damage Survey Report for? We've heard a lot of complaints about discrepancies in damage estimates, about FEMA changing the DSR unilaterally after it's been computed by a team of State, local and Federal engineers, and about how detailed and labor-intensive it is. Would you comment on these points please?

Mr. PETERSON. I'll comment on some of the points, and then I'd like Mr. Chappell to cover anything that I've missed if that's acceptable, sir.

First, of course, we have 31,000 requests because of these five disasters, and we're up to 45,000 this year with the additional ones. So we have a pretty good workload. That has required us to hire a lot of people who are not as experienced as I would like to have on the rolls. But we got 233 people, and when it gets tough, you get people wherever you can. We've acquired engineers from the corps and other areas. They go out representing the Federal Government, FEMA; they go out with the State engineer representing the State and they get together with the local people to determine what is the reasoned cost for the repair of that eligible item. So they agree it's eligible—the State agrees, the Federal Government agrees, and the local agrees. Now, we've been a little tough on that in some of those estimates and maybe a little too tough; and we've had some inexperienced people out there. But what happens often in disasters, sir, is that a lot of people understand there's a tremendous need and not many folks that can do it. And there is no low bid. The prices go out of sight, and we send a signal loud and clear we're not going to play that tune. And we're going to give an estimate based upon three agencies, local, State and Federal; and if you're going to bid, you need to be close on. That's the reason for that to be done in my mind, and we're going to have some appeals because the bids came in substantially higher. But I think it's responsible to send a clear signal across the bow. It's also responsible to move expediently. We've tried to find a correct balance there. Mr. Chappell, do you have anything?

Mr. ANDERSON. Mr. Chappell is the Assistant Associate Director of the Office of Disaster Assistance Program. He's here to support Mr. Peterson.

Mr. CHAPPELL. Yes, sir; thank you. I'd only add to that that the DSRs—the Damage Survey Reports—are the basis for determining the actual reimbursement to a State, local or private non-profit organization. Once that assessment is made in the field by a joint survey team, it goes back to the disaster field office and a review is made to determine the consistency and the accuracy of those documents. There can be addition errors, there can be all kinds of problems with them and frequently are since they're done in the field stressed environment. The problem that I think that exists is that once a change is made during the review process, there's not feedback to the local and State governments. That process needs to be fixed.

Mr. **ANDERSON**. Mr. Peterson, who determines where the Disaster Assistance Centers will be located? And following up on that, why did FEMA want to open an electronic center rather than an actual center in California?

Mr. **PETERSON**. I'll take the first part of your question first because I can address that and I'm not aware of your second issue, so I'll have to defer that. The Disaster Application Centers, being different than the disaster field office, are usually set up in as close a proximity as we can get to the disaster victim. That is a joint decision usually by the State and FEMA working with a local coordinator. We heard comments today from South Carolina saying it was 12 days before he got his particular Disaster Application Center. Let's put that in context. That was four days after the first five went up. Let's further put it in context, we put 38 Disaster Application Centers up in that State—one in every declared county, as quickly as we could put resources in there, as quickly as we could hire people and train them. We ended up hiring 200 teachers in South Carolina and training them to be application takers because they are articulate and they learn well and they are able to explain things. We were tight on resources at that time. So that's a joint decision and we try to get as close to the person as we can because many times they end up walking to the facility.

Now, the electronic side of it—I'm assuming that is teleregistration, but I'd like to ask—do you know specifically? If that's teleregistration, one of the things we tried to do as proactive knowing that when you go into a catastrophically impacted area with the infrastructure torn down, roads full of trees, no power—but a lot of phones seem to survive because of underground lines. So we put up phone banks with multi-bilingual individuals to answer them. Eleven, I think, different nationalities were able to answer those phones so that people could begin calling in right away. Now that had cut two ways. First, we put the 800 number up, and anybody who wanted to pick up the phone could call in and make an application and we'd take it regardless of a language problem. The way it cut the other way is every application generates about five other actions downline, and we were taking a lot of calls before we were able to process them and ended up with a tidal wave effect.

So I don't know if I've spoken specifically to your question, sir, in California; but we gave it a shot.

Mr. **ANDERSON**. You had 38 Disaster Centers in South Carolina?

Mr. **PETERSON**. Thirty-seven or thirty-eight; yes, sir.

Mr. **ANDERSON**. Mr. Peterson, does FEMA have a comprehensive hurricane plan comparable to the earthquake program?

Mr. **PETERSON**. Could you restate that?

Mr. **ANDERSON**. Do you have a comprehensive hurricane plan comparable to the earthquake program? I know that in California you do have some things that you plan for.

Mr. **PETERSON**. Initially I would have said no, but we put together the Catastrophic Disaster Response Plan signed by 25 agencies in 1987 when we got the final cuts on it. That gives 11 emergency support functions that will be provided through a coordinated effort by

FEMA to the States. That has become a document that works equally as well for a catastrophic hurricane as it does for an earthquake. So we are adopting that as operational procedure, standard operating procedures for catastrophic earthquake or a hurricane, sir. So we've got a good capability there that needs to be refined, but worked pretty well for never having done it before. It worked pretty well.

Mr. ANDERSON. What do you think would best streamline the disaster application and assistance process? Do you think that improved software systems compatible with the SBA and the States are necessary? What other innovations are you considering?

Mr. PETERSON. We've taken that issue with such seriousness that we're trying now to get a contract let that will evaluate how we can do that because we ran into serious software problems. We just weren't ready to deal with 385,000 applications. It was unthinkable that we would be in that situation. Our check writers—and we're one of the few agencies that can write checks—had a safety factor in it that locked up at 50,000 checks. So we were cutting checks merrily away and all of a sudden our own safety requirements became our own enemy, and our system locked up. So what we have to do is have consistency in our software and our capabilities. We've made it pretty broadly known that we use IBM and IBM format and that's what we try to buy, but we've got 56 States and American territories that we deal with; many of them are already well on the way to their own computer system. So compatibility is tough.

The other thing that was interesting to hear today is that we should hook up immediately with our computer systems to States headquarters in other areas. I think we must remind ourselves that in many of these areas due to the nature of the catastrophic event, you couldn't talk across town let alone get a computer linkage. So what we have done is made our Disaster Application Centers kind of independent with our paperwork going to the disaster field office; and if you would have walked in there, you would have seen it. Literally a hundred computers, 150 computers and operators processing. We're bringing the best minds we can into this system to say how can we do it better. We had to buy a lot of equipment. We just didn't have anywhere near the kind of equipment, software and hardware, in place to set up five disaster field offices of the size and scope that we needed in these disasters. Just if I could keep in mind in Puerto Rico, and those people did a great job. We hired almost 1,100 people off the street and trained them and supervised them with 48 full-time employees out of our 233. They were processing 10,000 applications a day and had a very effective computer operation. We had to buy most of that, set it up and make it work. We did that; they found ways to process checks up to 6,000 and 7,000 a day which we thought were impossible. A lot of innovation. But a lot of creativity also worked.

Mr. ANDERSON. How do you obtain comprehensive and reliable damage information after a disaster including the need for information on types of Federal aid?

Mr. PETERSON. First, I would like to make a point if I may, Mr. Chairman, and that is in these disasters we didn't wait to find out how much damage there was here and there. As an example, I got—when our communication van finally got on St. Croix and we were able to fly the Governor of the Virgin Islands over to St. Croix, he called in and asked for those battalions and just before that called in for a disaster on a ham radio. I had already cleared it with the White House that if he asked verbally, can we give a disaster; and we did. So we didn't have any paperwork change hands; we didn't have people out in the field counting bridges down. The Governor said I'm in deep trouble and we're going.

In South Carolina I got a call at 8:00 o'clock in the morning from the Governor, and he said we've got a disaster here. Our disaster field officer, Mr. May, regional director, was in the same room. I said, Mr. May, do you have a disaster? He said yes. We put a package together. I hand carried it to the White House, and two and a half hours later we had a declaration. So we weren't out there counting sticks or whatever.

Now, a real problem. Remember we talked about this process where the mayors and the county commissioners are supposed to ask the State governor's representative, call the State Coordinating Officer for assistance? They're also supposed to feed them information on damage. We ran into real problems there because they were themselves victims. They couldn't talk to the State. The lines were down. Their radio systems didn't work. So the damage information was very sketchy in coming in and was problematic, Mr. Chairman, in us getting some of the resources into the in-depth areas of South Carolina. This hurricane fooled everybody and went 200 miles and tore buildings up. That is not the norm and not what we expected. Some of those areas were not taken care of rapidly because we were unaware that they had that kind of problems until we did flyovers and were able to actually get on the ground and talk to those people.

Mr. **Mineta**. Mr. Chairman, could you yield for just a minute?

Mr. **Anderson**. Sure.

Mr. **Mineta**. What do you mean by "it was problematic"? What was problematic?

Mr. **Peterson**. I apologize and you're absolutely correct. If I was a county commissioner in the position that I was in before I came here and I had a disaster, the first thing I would try to do is get on the phone to the State Emergency Operation Center—everybody knows where they are if they're county commissioners or mayors—and I would say I got big problems here. This is my damage that I see in my area and this is the kind of needs I must have and this is the priority of those needs I need to have delivered. The State then has solid information to base their requests upon and prioritize themselves. The first thing they're going to do if they can provide that service themselves through their National Guard, generator resources, local food stocks or whatever, they will do so. If they can't, then they'll ask us to find us and we'll deliver it. That's what was problematic. They couldn't talk back and forth. Could not communicate amongst themselves.

Mr. **Mineta**. Is that not a bureaucratic snag to say well, we're not going to start any kind of disaster relief assistance until the paperwork is completed or until something gets to us?

Mr. **Peterson**. It was not a problem for us because we already had a declaration and we were saying to the State you tell us what you want and we'll deliver it. And I think we did that. Just as the military, when we asked them, they delivered.

Mr. MINETA. We have the linkage from Federal to State, you're saying State is not down to the local?

Mr. PETERSON. It's not so much a paperwork or bureaucratic problem as it was a result of the extent of the catastrophic impact on the lifelines, telephone communications, radio communications. It pointed home to me the validity of the survival crisis management concept that we're putting forward under the Civil Defense Act that will give reliable facilities that will survive high winds, radio towers that won't fall down like we saw happen with many of our EBS stations, power generators that will keep things running independent, chain of command. If you can't find a governor, who's number two and he's got authority right down into the legislature. Those kind of problems need to be addressed more pointedly at State and local levels so that they do not lose communications with their own people.

Mr. MINETA. Thank you, Mr. Chairman.

Mr. ANDERSON. Mr. Peterson, what organizational improvements are you considering to improve your coordination and direction of emergency response efforts? Are you planning to hire more staff or cross-train Civil Defense staff or what?

Mr. PETERSON. Without question, we found that within FEMA itself, within FEMA itself we have 2,400 people in FEMA. And within FEMA itself we have not adequately in my mind cross-trained certain elements, whether it's headquarters or the field. We have addressed that and we're going to correct it. We have a coterie of about 300 Civil Defense people who are all hazards including nuclear attack that need to be cross-trained and need to be able to respond and understand that that is part of their requirement in their performance requirements.

In the area of dealing with the National Emergency Management Association which are the State managers that many of you had before you today and the National Emergency Coordinating Council which is the locals. Through the Civil Defense Program, Mr. Chairman, we fund about 35 percent of the salaries of 6,000 emergency managers in this nation. That's what the Civil Defense funds do, $60 million. And yet, we do not have solid contracts with those individuals that says if we have a disaster in this nation, you're going to be part of the solution. That is a flaw—I brought that up myself at the National Conference and I think you heard some feedback today from the panelists saying we need to do that. That's a tremendous group of people I think that we could get—not all of them are going to respond, but some would.

In the area of the disaster assistance employees, if we had not had that coterie of 1,400 reservists that had some pretraining and some exercising, we would have been in much worse shape than we already were. We got about 800 of those people to respond. However, we need to have more of those people with specialized talents such as bilingual in the Spanish area which we really dropped out of. And by the way we had 200,000 Spanish forms, but we sent them to Puerto Rico; so when California hit, we didn't have any.

Mr. ANDERSON. I've got a question right on that. Is it true that reservists currently perform all public relations and Congressional liaison functions in affected areas after a disaster, and are you planning to change this? You're barking around the edges of what my next question was.

Mr. PETERSON. I only have one person in the field that is a full-time PIO, and he's not authorized. It's pathetic to have only three or four people in our whole agency and they're in headquarters that are professional Congressional or public information people. It's pathetic. And we don't have any authorization to hire any of those people. We have no slots. So we have none in the field. And, yes, DAEs do that job and many of them do a very good job, but in some areas we got in real trouble because of it, lack of experience.

Mr. ANDERSON. When you provide public assistance to restore damaged public buildings after a disaster, how do you provide for the building to be built at an improved disaster-proof standard if necessary? Is that something that you would require and pay for and then check to see if it's done properly, or would you respond to a State request for upgrading a facility? Would that fall under hazard mitigation requiring a 50-50 percent cost share?

Mr. PETERSON. I want Mr. Chappell to check me off on this, but if the building is damaged and we repair it, we will repair it to the current building code standards. If it has current building code requirements for earthquake enhancement, we'll pay for that up front. And that does not come out of the mitigation side of the 10 percent 50-50 match. That's meeting the requirement of the State. If their building code says—and is in place at the time—that their building code says that when you build a building, it will have earthquake criteria, we build it to that. And I think that's the way it should be, too.

Mr. ANDERSON. My last question is do you think that the high number of top level vacancies in your agency including the lack of a director has affected FEMA's leadership and performance, and how do you explain these continuing vacancies?

Mr. PETERSON. Somehow I knew you were going to ask that question, sir.

Mr. ANDERSON. Maybe we don't give you enough money. I'd like to know.

Mr. PETERSON. First, how do I explain that? I'm just not in a position nor plugged into the process where I can answer that. I would defer you to presidential personnel most respectfully. I'm a Reagan appointee; I was appointed and sworn in in January of 1988. I've got about 65 disasters under my belt now, and I was very pleased that I had 40 some disasters under my belt when these big ones came along. That experience was absolutely essential. I had a good team under me, Mr. Chairman. Mr. Chappell and the Disaster Assistance Program people are professionals. And I would like to make a comment in response to the testimony Ms. Erickson made if I might, where the regional directors are political appointees. I have been in 10 hearings in about 115 days before the United States Congress. It's a privilege to be doing so. I've never heard anyone complain about the performance of the regional directors anywhere. Every Federal coordinating officer who was appointed by the President, was a career person. So I was very surprised to hear that today. I think the regional directors have the total ability to be an FCO, but they were career people. So we were fortunate and I think we were able to with the help of people like Mr. Chappell and his professional team to be able to respond to the best way we could with the resources we had and the legislation we had. We needed to look at that legislation very respectfully to be responders.

We've been without a permanent director for almost a year. We have had an acting director who has about seven years of experience who is still currently there, sir. I don't know how else to respond to the vacancy issue.

Mr. ANDERSON. Mr. McEwen.

[Mr. Mineta assuming Chair].

Mr. MCEWEN. Thank you, Mr. Chairman. Mr. Peterson, it is obvious that you are working on this thing very hard, but it's structured in a manner that doesn't seem to work. For example, I think it would be safe to say we have no emergency response team in our country, right?

Mr. PETERSON. I think we proved that we can respond, but I would say to you most respectfully I don't believe the intent of the Stafford Act was to put us in the kind of response mode that this nation perceives we should be in. I've always said the truth is not necessarily the truth; the truth is what is perceived to be the truth. This nation expects the Federal Government to respond. We don't have sufficient personnel, legislation or resources—and I know you hear that all the time, sir. But I can be definitive in that if you'd like.

Mr. MCEWEN. No, I think you're exactly right. I think there's a hole. When the disaster hits, nobody's in charge. And if enough mayors call enough governors, and the governor is sending up faxes and Congress yells enough and there's enough people dying in the streets and there is enough chaos all over the ground, eventually somebody is going to move. In between time, there's nobody in charge, and that's the problem. There needs to be in the White House emergency personnel—a four-star who says there's going to be something hit, and I want to have these resources prepositioned. There isn't an air base or a naval station anyplace that doesn't take all kinds of actions in anticipation of a hurricane hitting. And if they know what to do, then there has to be somewhere, someplace, somebody on the civilian side that can do the same sort of thing. It seems logical to me someone ought to preposition some water and some chain saws and some generators and some military police; and then when it hits, they go into action. But there's no way under the law that that happens; right?

Mr. PETERSON. Congressman, you're singing my song. We used to have those capabilities; they were called Civil Defense Program. I have the Civil Defense Program under my directorate. I have $155 million for 240 million people. That's about 57 cents per person, about the price of a half a cup of coffee in the United States today. We don't have prepositioned generators and food and water like we used to because the budget eliminated them.

Now, we know what to do, sir. I'll tell you, we know what to do. We require that States and local governments develop plans under the Civil Defense Program for natural hazards, technological hazards and nuclear attack and we exercise them. But we do not have the authority under this Act to preposition what the type of equipment you're talking about. We preposition with our personnel and we preposition with some very good communications gear so we can communicate. My proposal is give us legislation that allows me to go, and I'll go. I proved to this nation that we'll do it without legislation in St. Croix; I just don't feel comfortable about that. And give me some minimal resources for the first seven to ten days because once we get on the ground and do an assessment, sir, I have then tasking authority and we can bring in the right equipment through the right 25 agencies, and we proved that that can work.

Mr. McEwen. Perfect. That's what ought to be done. But the only way it can be done is to acknowledge that the problem exists. And everybody gets very, very defensive and says that I am perfect. I sat here for two and a half hours waiting to ask my questions and then we didn't get to ask them. Some of those responses we got here were beautiful in terms of lots of verbiage but never did get to the point. Nobody ever says yes, here's the problem, we're not allowed to do that. And that needs to be corrected, then you can do something. But if everybody wants to be covered all the time and say well, we did our best; we did a good job—you can never get at the answer. It appears to me that the answer is there's nobody in charge in the first 48 hours. And then if enough people ask in the right places and if enough information flows into the White House and the legal beagles at the White House convince the President he ought to sign off, then you begin to start to do something. But in the meantime you better not be without any water or you better not need a cot or you better not need a mattress or a tent because nobody's qualified or authorized to do anything about it.

Mr. Peterson. As you've defined that under the current law I think it's correct, but I'll tell you who's in charge in that initial period of time. And it's been assumed by Congress in their debate before the Stafford Act and earlier, and I think correctly so, that initially the local government is in charge. And when the local government needs help, the State is in charge. And only then will they ask for additional help. But we found out something new, sir. We found out the government themselves can be the victim. And in that case it will fall by default to us to do something. We did that in the islands. We didn't have requests on our plate. We couldn't even find the Governor. I'm not picking on the Governor. He was devastated, and we acted. But we acted in a way that we could do much better if we thought this thing through and laid out the legislation that clearly says what we can do.

Mr. McEwen. So we have to have an emergency czar who has emergency powers that can kick in up until such time as the President decides to declare or not to declare. So, Mr. Muckerman, you're here to explain to us all the good people and the $300 billion we invested in defense and why these guys go out and run up and down the highways all over South Carolina at 2:00 o'clock in the morning with 40-pound packs on their back, keep in good shape and ready, willing and able to move. We got all kinds of prepositioned supplies, and they sit around and play cards while the State's blown away. Can you fill me in on that?

Mr. MUCKERMAN. Well, sir, you're correct. We do—the military has a tremendous capability and a lot of equipment and a lot of supplies. The primary mission of the military is to defend this nation against hostile attack. They are available and they were available and they did respond to all requests in the Hugo case and the Loma Prieta.

Mr. McEWEN. You're talking about the engineers responded eventually?

Mr. MUCKERMAN. I'm talking about the whole Army, Navy, Air Force, Marine Corps.

Mr. McEWEN. Why is it then Congressman Ravenel would write in testimony that he received a phone call from a frustrated base commander who said I have personnel, equipment and cargo planes ready and waiting, but I cannot move without orders from FEMA? Instead, a week after the storm, we have FEMA announcing the opening of the first Disaster Application Center in the suburban area of Charleston. Seven days 50,000 people waited for shelters, no drinkable water and very little food. On the eighth day FEMA tells us to get in line and fill out the forms. Is that a misrepresentation of what happened?

Mr. MUCKERMAN. Well, I don't know about that particular instance, but we've got to keep in mind that each State or most States—there are 573,000 National Guardsmen in the United States, and they are the first line of response and first line of defense for that governor. He doesn't have to ask anybody to use that National Guard, and that National Guard has generators, they have trucks, they have medics, they have engineers and so forth.

Mr. McEWEN. Congressman Panetta sat at your table just about 24 hours ago and said that he took a FEMA representative down to a park in which there were 60 families living there under blankets. And he said that they wanted to get some supplies to them out of Fort Ord. Fort Ord said they didn't receive the request from FEMA; therefore, they couldn't act. Does any part of that cause you any concern?

Mr. MUCKERMAN. I know this, Congressman, I spent 30 years in the Army. As a unit commander, I went through two earthquakes—the 1971 earthquake in California and the brush fires. In all instances I acted where life or limb were in danger, I made my unit available and the resources I had available without asking anybody. But, of course, as Mr. Peterson pointed out—it never happened to me. If GAO caught up with me or that was disallowed at some future date, I'd be holding the bag.

Mr. McEWEN. Evidently there are less compassionate and more bookkeeping-aggressive commanders who have replaced you in the military because they didn't act without a request from FEMA. The testimony of the Congressional representatives in both California and South Carolina is that there was no spontaneous response on the part of the military.

Now, all I care about is making sure it doesn't happen again. And if we have to make sure that we're not going to devastate the FEMA budget, FEMA's going to want to protect its budget so it's not going to ask for it because nobody is personally impacted. When the people out in the street pay their taxes, they don't care if it comes out of the FEMA pot or if it comes out of DOD. But if

FEMA doesn't want to do it because they're going to have to pay it back and DOD says I'll be danged if I'm going to use my gasoline—besides, how much money can it cost to go out there? I mean, these guys like to do this sort of thing, don't they? Isn't this why they trained for six or eight years so maybe they can do this once or twice?

Mr. MUCKERMAN. They certainly did and do and each day I got these messages across my desk indicating what we had done in South Carolina, St. Croix, California and so forth, and we'd set up hospitals, we'd clear debris, we did this. I'm sure in the fog of war or the fog of disaster there were some tie-ups. I've got Lieutenant Colonel Don Willhouse from the Army staff who was intimately involved here, and he could speak to any tie-ups. I don't know of any——

Mr. MCEWEN. Well, they were all over the place. The reason—you're here at my invitation; that's how fortunate you are. I got to ask for you because yesterday you weren't here and, of course, whoever's not in the room gets the mud. So we had story after story after story about how the military didn't do anything, and then they weren't asked. And so Ravenel gave another story where these houses were about to wash off into the water, and they kept asking FEMA to respond and FEMA was supposed to ask them and they didn't. So finally, some commander just marched his troops down there and started setting up sandbags regardless

As an observer in all that, I want to find out why this doesn't happen some more. Why doesn't FEMA act more quickly and why is it you have to wait for FEMA to tell you what to do and that sort of thing. So, Grant, go ahead.

Mr. PETERSON. Thank you, sir. If I'm off base, just get me back on base. A little credit due where it needs to be done. CINCLANT—Commander-in-Chief of the Atlantic—did move without any FEMA asking whatsoever. You got ships out there. They were moving water. Puerto Rico was in deep, deep trouble for water; and they were instrumental through Admiral Kelso in getting going. We have since met with Admiral Kelso, the Commander-in-Chief, Atlantic, and gave full briefings. We're working out MOUs—they weren't there before—it gives clear understandings because what happens here is if we don't exercise, people leave and new people come and the historical knowledge is lost. All of a sudden the base commander is sitting there saying, can I really go without a request? And the answer is yes, he can, under his own DOD authority. He can go. But, of course, he assumes that responsibility and financial cost.

Mr. MCEWEN. What are we talking about, financial cost?

Mr. PETERSON. I don't believe you were here for just a moment when I went through this before, and my analysis of part of the problem there was we haven't exercised well enough with FORSCOM and with CINCLANT and CINCPAC. Now, we're resolving that. We all agree to agree that we didn't do it well enough and the right hand didn't know what the left hand was doing, and all of a sudden we had this huge first-time disaster and everybody did the best they could. But we can eliminate this temporary mind blank-out by exercising if we will be given—and I hate to say this—the resources to exercise like we did in Response '89; we'll bring everybody together and they'll know what to do.

Now, in my analysis of what may have happened, the base commanders knew that if the State asked FEMA to task DOD, that everybody was happy. The State was happy and they weren't going to get crossways with the State because some mayor asked them to do something, and they weren't going to get the bill for that. Two, it was 75 percent paid for by the Federal Government and the State was going to pay 25 percent. If they launch out on their own—and this is a ticklish issue that needs to be addressed—by anyone who asks—a mayor, a city councilman, a county commissioner, a Senator, a Congressman—if they move out, they have done it on their authority and they assume the cost factor. And I think this was debilitating to an extent beyond what it should have been.

Mr. McEwen. I want to know what the cost factors are. They're going to sleep in their own bed and they're going to drive somebody else's Jeep and they're getting their salary regardless.

Mr. Peterson. There are cost factors associated because we're getting some of those bills now. I can't give you a definitive cost of what it costs me to put a battalion out there. I can tell you what it costs to fly a C-141. But I can provide that for the record later.

[Information received from Mr. Peterson follows:]

The Department of Defense charges the Federal Emergency Management Agency (FEMA) $4,362.00 per hour to fly a C-141.

Mr. McEwen. I want to correct this in legislation because they don't go out and buy a C-141; they're going to fly the C-141 anyway. I have long-time problems with the military on this. Every time you ask them to do something, they're going to say we want the Congressional staff to pay for it, we want somebody else to pay for it. Those things are flying all day, every day regardless of whether there's a Congressman or a disaster or anything else going on. They just want to find other people to pay for it. And in this case they've paid their taxes, the disaster has hit, they have the military, and I don't think they should be squibble-squabbling around about which pocket it's going to come out of when the salaries are paid for, all of it's there.

I don't know where they come up with these figures, but I'm sure you're exactly right. If they flew a C-141 down from Wright-Patterson or someplace, they can charge you $2,500 an hour and they'd charge you $80,000 for the pilot, and they'd charge you a new set of tires and all kinds of things and they'd bill the local city. That's what we need to correct.

Mr. Peterson. I may be getting myself clear out on a limb here and somebody's going to cut it off, but I don't have a problem myself in the military saying if you're going to fly my C-5A, it's going to cost us $15,000 an hour to do it or my C-141 that's going to cost me $5,000 an hour and that airplane is only so good for so many take-offs and landings and that the Stafford Act should reimburse that. I don't have a problem with that myself. Congress needs to evaluate if my interpretation is right. No one in the military ever said to me, how am I going to get paid on anything I task. The problem area was I don't think there was a clear understanding on the bases as to the initiative they could take in dealing with this catastrophic event that descended upon them so quickly, and that is—there is a solution to that, and that is working with CINCLANT, CINCPAC, FORSCOM, and having your support in letting us develop scenarios off of real time circumstances that we know can happen and do like we did in California with Response '89; tremendous success. And exercise those people so everybody knows command and control and authority, roll those kind of scenarios into the plan and call the base commander and say, what are you going to do?

Mr. McEwen. That's what I think we need in our new legislation. We need a three- or four-star in the White House. When Colin Powell, Chairman of the Joint Chiefs, calls down, ask him to do it and then they find out they can't do it because FEMA hasn't asked. When the Chairman of the Joint Chiefs can't deliver an Army unit, then something is haywire. And I think we need somebody in the White House with the authority to step in and start moving and have FEMA under their thumb and have the Army response and the chain of command come out of the Commander-in-Chief so that you don't have these games playing back and forth.

Mr. Mineta. Well, I was just going to ask—yesterday and today has been sort of like Alice in Wonderland. Between what I've heard yesterday and today and what I experienced in the time period from the 17th of October on and what I have heard what people experienced in the Carolinas from the 22nd of September on, just seems like two different scenarios. We heard about Senator Hollings getting upset, generators evidently being furnished somewhere. General Powell saying yes, get those generators in there. FEMA countermanding. Is there any truth to that, Mr. Peterson?

Mr. Peterson. First off, I never talked to the Honorable Senator Hollings at any time during that period of time. I went to his office for two hours once and we never connected, so I don't know what was said and it would be conjecture. I certainly do not countermand an order from Colin Powell or Mr. Cheney if he gives it to his military, so I didn't countermand anything along those lines myself. We had a very good working relationship with the military. I had a gentleman by the name of Major General J.D. Smith sitting next to me who was the head of the Department of Military Support, and he has all the authorities that you talked about. He can tell anybody in the military what to do and how long to go and he did it well. He's a lean-forward type of guy and did a tremendous job. I think the process—I just want to put this on the record. I think the process now can be fixed with some legislation modification that gives us additional authorities to move and some clarifications as to the authorities that people have without FEMA moving. DOT has a lot of authorities that they don't have to wait for FEMA to do anything. The Conservation Corps has a lot of authorities that they can move without FEMA saying they need to do it. The military has authorities that they can do without FEMA. Everybody needs to understand what they can do. And we will task anything that the State says they need, and I would submit to you most respectfully when we got the request, I think we delivered.

Mr. Mineta. Thank you.

Mr. McEwen. When Congressman Panetta said he needed mobile homes and somebody at FEMA told him they didn't use them in South Carolina and you don't need them in California——

Mr. Peterson. Sir, that person wasn't there very long. And I personally picked up my cellular at 8:30 at night and called the Congressman and said, "I've got a hundred mobile homes on the way, sir." And the person who said that wasn't there the next morning.

Mr. McEwen. That's one of the best pieces of information I've had in two days. That's exactly right. That kind of a mind shouldn't even have been close to a disaster because it was creating its own.

There was one other question I had here that—oh, the 800 number that nobody answered. What's the situation on that?

Mr. Peterson. It was answered—let me put it to you this way, sir. Forty-five thousand applications were taken off those phones; somebody answered them. I don't know how to respond to that question. We had the big charts down there in Texas running. We had up to 250 phones 24 hours a day. You call in free, we'll answer you, and we'll put nine or eleven languages on there, I can't remember which. And we took 45,000 applications down there. Somebody answered the phone.

Mr. McEwen. So you'll help us draft this so that we can have an emergency response team in America so that they can do it immediately? You can assure us, Mr. Muckerman, that when the military sees a problem and the mayor says please help, they won't say we need to have approval from FEMA first?

Mr. Muckerman. I can't do that right now because that's not what the law says, but if the law is changed, then.

Mr. McEwen. When I said that when we presented the problem they said you have to have FEMA call us, you said that that wasn't the case; that you moved quickly.

Mr. Muckerman. That's not the case if in the judgment of the local commander life and limb is in danger.

Mr. McEwen. But in this case evidently they didn't because——

Mr. Muckerman. If in his judgment he can await the request from FEMA, which is the overall coordinator—otherwise, you'd have people going in a thousand directions. The Department of Transportation might be filling the need.

Mr. McEwen. And FEMA didn't want to ask because then they were going to get part of the bill, right? Or why didn't they?

Mr. Peterson. Here's the situation as we view it, and please, I'm trying to be very respectful here. The local mayor or the local county commissioner should assess his situation and call the State coordinating officer. I don't think that's too much to ask. The State coordinating officer then prioritizes the needs, determines if he can fill it himself; and if he cannot, then he asks FEMA to provide it.

Now, every single time they asked us to provide anything, and I believe anything, we delivered it. We put military Marines in South Carolina and we provided them a whole bunch of chainsaws that we just went out and bought. You could fill half this room with chainsaws. Because the military doesn't have chainsaws, and the military responded with people and support for those people and put them out there and they did a great job. Additionally, when they asked—this is a point I'd like to make—when people got on the television set and said help, help I need everything, and the generosity of this Nation became overwhelming in a heartfelt outpouring, and 18-wheel vans full of everything you could imagine started arriving and the local people had no capability of taking care of it, we asked the military at the request of the State to put more Army people out there to unload it and distribute it and put it in warehouses, and they did.

So the issue is when we were asked for whatever it was, whether it was generators for Sumter, South Carolina so their sewage wouldn't run all over the place, that was a prioritized issue. You bet they prioritized a generator over that. We asked them to deliver, and they did, sir.

Mr. **McEwen**. You might want to stop by some of the Members' offices on the way out the door because they don't have that assurance that the military was there to help as generously as we have described it here.

Norm, I'm all finished.

Mr. **Mineta**. I'd like to thank my colleague from Ohio for his incisive questions.

You said something earlier about this is a first-time disaster, and yet on the other hand, Mr. Peterson, you said you've been through 58 of these or something; whatever the number was. Now, these cannot be each one of them first-time disasters.

Mr. **Peterson**. I was not as precise as I should have been, Congressman. Let me try to clarify what I was trying to say. That's why initially I identified what those 23 disasters are a year. They're primarily recovery, almost exclusively recovery; not response. Two thousand people show up asking us for help and we spend about $10 million. This was the first time the Federal Emergency Management Agency had to respond in a first response mode where a Governor was unable to ask for assistance and we had to just do something. We've never done that before. It turned all the light bulbs on and it said, hey, we might not under the Stafford Act perceive us to be first responders, but by default, we may be and we better figure out how to make it work. So that's what I meant when I said we hadn't done this before.

Mr. **Mineta**. But in that case the Governor was out of communication because of the inability to communicate and yet the Lieutenant Governor was in a position to communicate, and yet somebody wouldn't accept that as a bona fide communication. Now, if that isn't a bureaucratic mentality, what is it?

Mr. **Peterson**. I have to take some fault on that one.

Mr. **Mineta**. I'm not trying to heap blame, just find out what the process is so that we can——

Mr. **Peterson**. The Act says the Governor shall. Now, under our concept of survival crisis management—and bear with me—under the Civil Defense Program we are asking every State, please, submit a plan to us and we'll help you fund it at 50-50 match that will build you a survival crisis management concept—facility survivable alternates, all hazards including nuclear attack. This Civil Defense only for nuclear attack stuff you're hearing is bunk. Civil Defense is all hazards including nuclear attack, with nuclear attack primacy. It's the only money we have to build infrastructure in the States. A facility that will survive. Communications that will survive. Command and control personnel who can come in and control the State and report damage and continuity of Government. If the Governor isn't there, who's on second? If he's on second, who's on third?

In the situation in the Virgin Islands, I probably should have said, fine, but the Lieutenant Governor was not on the Islands. Thanks to Delegate DeLugo, he helped us identify where he was and I talked with Lieutenant Governor Hodges in an Eastern Airlines plane over Atlanta, Georgia, and I said get here. I'll get you on your island and then you can tell me you have authority, right?

Now, I probably should have said, let's turn it on and let the chips fall where they may, but I had two impediments. One, I didn't know what was going on out there because I didn't have anybody on the ground yet, and he wasn't on the ground. So we put the plane out there, we got on the ground, we got communications going, we got the request. Probably could have beat it 12 hours or 16 hours if I would have said heck with it, let the chips fall. I'd probably do that today. But what is—there's a responsibility at local government, too, for them to be able to understand what the lines of authority are and put it in their legislation and we're encouraging that, sir.

Mr. MINETA. Would you mind if we go vote? I really do have some more questions I'd like to ask of you, and I'd like to ask you to stay. I recognize it's late in the afternoon, but I really would like some more questions and I think we'll just recess pending this vote.

Mr. PETERSON. I'm not criticizing the Virgin Islands government. They did everything they could with what they had.

[Recess.]

Mr. MINETA. Mr. Peterson, after the October 17th earthquake, the FEMA staff was almost completely out of communication from October 20th through the 25th because they were moving to the Disaster Field Office instead of working out of their Presidio office in San Francisco. In the case of the DFO in Mountain View, the lease agreement hit snags, the new local support staff were completely ill equipped to handle the situation, the telephones didn't work. I'm wondering, given the function of a DFO, why they would have to move to, let's say, the proximate area rather than just leaving it at the Presidio in San Francisco because of their functions?

Mr. PETERSON. I think that's a point that we oftentimes debate over considerably as to should we get as close as is reasonable to the actual disasters? The original argument was should we open more than one DFO because we had such distances. We had San Francisco and Oakland and then we had way down—the facility on the Presidio that the region is housed in was not adequate to do the job. There's no way that that would have held even the computer systems we put in there, let alone all the other activities. They also wanted to be able to house the State side of the operation, and we ended up with a very large Corps operation, as you know, from the Army—Army Corps of Engineers.

So from the standpoint of getting into a structure that was accessible to parking, could you get the State in, the Corps in and handle the kind of volume of people and computer systems and get it all under one roof, that was a good call. It's too bad that we weren't able to do that more quickly and save a day or two. I didn't have the communications problems, but I know some of the people in California did during that time. So we have to think that through better. It's always a problem in finding a facility that has survived, has power and will continue to function and we can have good coordination. That's the office of coordination between all Federal agencies and the State. And it needs to be easily accessible and a good operational facility with adequate trunk lines.

One of the things we run into is we put two or three hundred phones in a facility that can't handle the trunkload and everything crashes. So we had to pick the location; it was partly determined by that. It's a long answer; it's not a good answer, Congressman. We do try to find a place that will handle what we know is coming, and once we get it, we're not going to have to move again because we outgrew it; and it has the immediate facilities that will allow us to function with all the entities in one place.

Mr. Mineta. I could understand why the DAC would be right where the action takes place, but I'm still not sure even from your response as to why the DFO has to be moved to the FEMA, to use a military term.

Mr. Peterson. It does not have to be at the site of the disaster or in proximity to the extent the Disaster Application Centers would be because the people have to walk to the Disaster Application Centers. The disaster field office——

Mr. Mineta. That I have no quarrel with.

Mr. Peterson. We also take criticism if we get too far away because people say you're not close enough to the action and you're not accessible enough. What we did is we kind of put this one in between all of the action and that was the recommendation at the region and I didn't fight it at the time. I did not realize we would be down that much and I don't think we have to be down that much. I think that with a little preplanning, we can keep one up; and when the other one's all ready to go, then we can drop that one down.

Mr. Mineta. Many of my constituents were needlessly denied timely assistance from FEMA due to what was described by FEMA employees to my staff as a glitch in the computer system. As an example, when applications from two individuals with the same last name and the same address are received by FEMA, the applications are summarily withdrawn by FEMA without notifying the parties in an effort to prevent duplication. Many of my constituents discovered weeks and months later that the applications they had made immediately after the earthquake were not being considered and, worse, they weren't notified.

Mr. Peterson. You're absolutely right.

Mr. Mineta. What type of system can FEMA devise to resolve these kinds of needless omissions?

Mr. Peterson. You're absolutely correct; our software was not up to the task of the volume of people we had. No question about it. And that's that contract we're letting that I talked about earlier to do a complete assessment of what is needed that will be reliable and upgraded software so that we can deal with multiple applications. For some reason, and I say this most respectfully, we had a very high number of multiple application requests by the same individuals in that area. Called into the phone system and applied and went to one Disaster Application Center and applied and went to another one. Our software was not set up to deal with that. One simple solution is a Social Security number instead of address or name; that doesn't change. So we're going to correct that through the software side of it, and the notification part of it was the fact that that whole operation with inadequate software and the additional fact that the systems crashed on us a number of times left no excess in resources to pull those out, identify the duplication and get on the phone to the person. That will be corrected. We've already got the contract identified to do that, sir. And we apologize to your constituents.

Mr. **Mineta**. Sir?

Mr. **Peterson**. And we apologize to your constituents because I know that caused a number of them serious problems.

Mr. **Mineta**. Plus we've got our caseworkers in our office with these—stuff we're trying to sort through. As I said earlier to the gentleman from California, it's not just my office. Look at Mr. Ravenel's office, Mr. Ballenger, Mr. Panetta, Mr. Campbell, Mr. Lantos—you just go right down the list.

Mr. **Peterson**. We had the most serious problems in California with our computer systems of anywhere, and I don't quite understand why California was so much more difficult. But I got to the point where I had 50 computers up and——

Mr. **Mineta**. This is Silicon Valley where those checks are coming from.

Mr. **Peterson**. I'll tell you what the frustration I had was. I had 50 computers up and everything would start running and the process would work and the thing would go down. It was a software problem. It was based on the volume we were inputting into it. When we got to a certain level of volume, the thing just locked. I gave instructions to put a duplicate 50 computers next to that so we could reduce the load factor and continue. That's not a very technically state of the art way of doing things, but we finally did get it squared off and it smoothed out, but it took us several weeks to get that thing running properly.

Mr. **Mineta**. Our experience with the Disaster Application Center was quite favorable. Personnel there were very good, they were pulled in from all over the country, they arrived within days. And then we set up the Disaster Application Center and started at 1:00 o'clock on Sunday, the 22nd and they did an outstanding job. But then they left in two or three weeks. Reservists came in. And, frankly, that's when it hit the fan. I don't know whether it's, again, bringing people in who were previous employees and they say, yes, I remember we used to do it this way, and you say, no, hold it; we're not doing it that way anymore. This is the way and they're not properly trained or whatever it is. But they really were not properly briefed on what their current procedures were and what the current programs were for this kind of an emergency situation.

I guess training is the key issue with respect to reservists.

Mr. **Peterson**. This problem, sir, was a function of the size of the catastrophic disasters and the multiple disasters in a four-week period of time. Our full-time career people who know these regs inside and out and what needs to be done were simply overwhelmed; 233 people cannot adequately train 3,200 people that are brought on board in five weeks. Our disaster assistance people did a good job I think for the training that we had been giving them. But the weak link is exercising. These people are all over the United States. And while one area may get an inordinate amount of disasters and you utilize and exercise the people in the real world there, some of the people we brought in in these disasters came clear from Kansas City and Denver and other areas and were not exercised, their training was not exercised.

The solution is for us to be able to have the kind of exercises we had, again, in California called Response '89 and rotate those disaster assistance employees through that process so that they are experienced and updated. Additionally, we just need more of them. We've added 400 just out of the disaster. We got a lot of people who have been trained and we're trying to capture them, get them into the DAE ranks. We've been successful with about 400 who are trained now, and we want to exercise them.

The other area of weakness is the bilingual area. The forms——

Mr. MINETA. Both forms and staff?

Mr. PETERSON. The forms was a—we had lots of forms in California. The problem is we shipped them to Puerto Rico; we didn't know California was going to get in this program, in the act. So we got caught with a shortage of Spanish applications, but that's not a real problem too much because most of the time it's filled out for the applicant anyway. But if you don't have a bilingual Spanish speaking person talking to a Spanish speaking person, it doesn't matter what the form is in. It isn't going to work.

Mr. MINETA. But I also heard this as a problem in South Carolina as well, the difficulty of the forms—it's the form and the process I guess. In fact, just on the way over here I ran into Congresswoman Patterson, and she was mentioning about how people in her area were just having a difficult time dealing with the form itself.

Mr. PETERSON. I think I'd like to address that because it leads into another problem we need to correct, sir. Our form is a one-pager. FEMA's form, application form is a one- pager automatic duplication. Now, we're going to clean that up some so it's easier, but it is not a terribly complicated form. It's easily explained to a person how to fill that form out and usually we have people there that'll fill it out for them. We had a lot of problems with the bilingual situation and, most respectfully, the illiteracy problem in the southern States, I just did not understand that the extent of problem there was with illiteracy. I mean, we mailed all kinds of forms out to mailboxes saying this is where the DAC is and come on in. We didn't realize people couldn't read them. Never seen so many X's on the bottom of a line of a form in my life. So we have to understand that that's still a problem in the United States in some areas.

But I think part of the confusion is the form of FEMA versus SBA's procedures. SBA gives loans and they have a whole set of additional regulations that they must adhere to that FEMA cannot impact and probably shouldn't. But they do credit checks and credit analysis—all kinds of things that we don't touch. And that's a lot of filling out of a lot of paper.

Mr. MINETA. But you're the initial place, you're the one-stop agency. Then it gets shunted off to the SBA, does it not?

Mr. PETERSON. Well, we have SBA in the DACs with us, but we've got a problem here, sir. Let me give you an example. If a person comes in and they look like they have sufficient creditworthiness to apply for an SBA loan, then we don't give them a grant; we send them to SBA. I'm not criticizing SBA. So SBA goes through the process of the credit worthiness and how much do you need and the inspection on the house and all of that. And then let's say that that person cannot qualify for the loan even though we thought they could. That person has been locked out of the system for from a week or two to many weeks, and all of a sudden it is two months downline and they can't get a loan and haven't got ten any help. That's wrong. That's wrong. So I think we need to find a way to give them immediate help up front from FEMA. If they qualify for a loan, that money that they received up front becomes part of the loan and they pay it back.

Mr. MINETA. We have a situation where the market value of the property is two buildings, commercial buildings, maybe $1,300,000, they need about $300,000 to repair the building, and—I forgot why they were denied the loan. Now the banks are foreclosing on this person. I just don't understand this.

Let me ask something about the Red Cross. What's the relationship between FEMA and the American Red Cross regarding temporary housing assistance to disaster victims?

Mr. PETERSON. I'm going to let Mr. Chappell handle that one. He works more closely with them.

Mr. CHAPPELL. The American Red Cross is one of our greatest allies in disaster relief, as are many other volunteer organizations. We have a memorandum of understanding with them. They are among the first responders because they do have volunteer organizations as well as professionals, and their role is to provide whatever resources are needed to meet the immediate needs of local citizens working through their volunteer organizations. When FEMA comes in, FEMA then assesses the temporary housing needs of families and individuals that have been disaster victims. In the meantime, Red Cross and other volunteers are providing that type of assistance as well as neighbors, friends, church groups and local organizations that go the full range of groups that you see in your community. Temporary housing is our role. If someone needs assistance beyond what FEMA can give, then we refer them back to the Red Cross and the Red Cross can consider assistance for them.

Mr. MINETA. In that function, is the Red Cross performing quasi-governmental functions in lieu of FEMA actions in order to avoid duplication of services?

Mr. CHAPPELL. Well, duplication of benefits is an issue that we're all concerned about. It's not an overriding issue, but certainly we don't want to duplicate assistance when we're trying to provide assistance that's needed to all. The Red Cross coordinates with us closely as we do with them. We find that their assistance dovetails with ours, it does not overlap; it dovetails with ours and works out very nicely and I know of no case that's been brought to my attention where there has been duplication in that regard.

Mr. **Mineta**. Does FEMA, in light of that quasi- governmental function that they perform, in any way monitor what they're doing?

Mr. **Chappell**. We have an agreement with the American Red Cross. In fact, they have a full-time representative in each one of our regional offices. And their role is to assist us in coordinating our response with the Red Cross response. We do not monitor the Red Cross. We certainly have a close working relationship with them. We have critiques and after action reports and we do lessons learned and things of that type, but we're in no way monitoring the Red Cross. We're coordinating with the Red Cross, sir.

Mr. **Mineta**. There's been a great deal of criticism of the Red Cross in the San Francisco Bay area. That's the reason I raised this question.

Mr. **Chappell**. If I may, in defense of the Red Cross, and I think Mr. Peterson mentioned it earlier, is they were strapped equally as much as FEMA was in addressing not only financial needs but the staffing resources to deal with these major disasters.

Mr. **Mineta**. I think what's happened also is the fact that the public responded with a lot of cash donations. But in trying to track how much financial assistance was really done in the San Francisco Bay area as a result of the Loma Prieta quake, it's a smidgen as compared to the amount of money that was collected. So people say, hey, what are you doing with this money? Where is it going? Well, Red Cross says, well, this is disaster money. It may be used here, but it may also be used in Massachusetts or Puerto Rico or somewhere else tomorrow. So there's a real hue and cry, but I won't get into that.

Let me ask about what kind of instructions does FEMA give to its verifiers regarding the performance of inspections?

Mr. **Chappell**. We have verifiers under contract to us, but because of the nature of these disasters and the magnitude, we brought in other verifiers from Federal agencies such as the U.S. Army Corps of Engineers. We provide training for them, we instruct them as to the difficulty of dealing with disaster victims and the stressful nature of the work and provide direction as to the types of information that are necessary for them to report back to us in order for us to process checks to disaster victims.

Mr. **Mineta**. I think more importantly, Mr. Peterson, what I'd like to do is to continue this dialogue so that as you're putting together these kinds of "improvements" and fine-tuning the system, at least I can see what kind of progress you're making. Frankly, FEMA has a real problem. The public doesn't think you're capable of doing the work. As I said, initially the DAC set up and everything worked great. But now for whatever reason, the decisions aren't being made, things are falling through the cracks, and I think there's a great deal of frustration in not only those who are victims of Hurricane Hugo but of Loma Prieta Earthquake as well.

I'd like to also submit a number of questions of Congressman Roe because he is managing a bill on the floor right now and is not able to be here.

[The questions and responses follow:]

Federal Emergency Management Agency
Washington, D.C. 20472

The Honorable Glenn M. Anderson
Chairman
House Public Works and Transportation Committee
Subcommittee on Investigations and Oversight
U. S. House of Representatives
Washington, D.C. 20515

I; D
24

Dear Mr. Chairman:

This is in response to a series of ten questions submitted for the record by Congressman Robert Roe with respect to the Federal Emergency Management Agency's emergency facilities requirements in disaster field operations. For convenience, each question is repeated prior to our response.

1. Would you describe your recent experiences including the Hurricane Hugo operation as they related to the immediate availability of temporary facilities for operations centers, shelters, warehouses and distribution centers, etc.?

A. In the vast majority of disasters the availability of temporary facilities is not a problem. Temporary shelter for displaced families is provided by voluntary agencies, such as the American Red Cross, and by local government, using schools, convention centers, churches and other facilities which can be readily pressed into service for short periods of time. Distribution of immediately needed supplies is normally handled by these same groups at shelters, service centers or through vouchers redeemable at stores which remain open or are re-opened soon after the disaster. The federal recovery effort is normally coordinated and administered by FEMA and the State, with other Federal Agencies, at a Disaster Field Office in commercially available space leased by FEMA, or in small disasters, we may use a local Emergency Operating Center provided by a local jurisdiction. FEMA also coordinates Disaster Application Centers where individual disaster victims can apply for help. These facilities are usually local schools, armories, churches and other buildings, identified by State and local government and provided at no charge.

In Hurricane Hugo, the extent and severity of the destruction created unprecedented requirements. In St. Croix and parts of South Carolina especially, it was difficult to locate available facilities for emergency shelter, Disaster Application Centers or

Disaster Field Offices which were undamaged and/or had electrical power. Local governments were inundated with donations of food, clothing and other goods which overwhelmed local storage and distribution systems.

Disaster response and Recovery operations were hampered and delayed by the inability to quickly set up and begin work. Alternatives are being examined which would provide this capability in future extraordinary disasters.

2. How does FEMA currently meet the need for temporary facilities, including administrative offices, shelters, storage facilities, etc?

A. As described in the response to question 1, this need can normally be met through available undamaged facilities which are leased or donated for short periods of time.

3. Is this approach sufficient to meet your emergency requirements immediately following a disaster?

A. Usually, yes. In Hurricane Hugo, it was not adequate due to the combination of damage to power supply networks and/or the general lack of appropriate facilities undamaged and available for FEMA use in certain of the most severely affected locations.

4. How do you determine the annual requirement for temporary, emergency shelters?

A. Prior to Hurricane Hugo, emergency mass care shelter had been adequately addressed by local governments and voluntary agencies, for the most part. In addition, FEMA often provides transient accommodations to disaster victims using vacant motel/hotel space.

In Hurricane Hugo and the Loma Prieta earthquake, longer term shelter was necessary and was provided in a variety of ways up to and including barracks-type units which were constructed by FEMA in Puerto Rico.

5. What alternatives have been considered and identified for use?

A. FEMA is developing specifications for air transportable trailors to be used as office and sleeping facilities during the first days of a St. Croix-type disaster response. The units will be totally self-contained - they will include water, power, fuel sanitation, communications, and food - may be towed over land or flown in C-130s or larger military aircraft. They will be designed to support a Federal response team of 50 for a minimum of 7 days without resupply.

6. What is the cost of such alternatives?

A. FEMA does not yet have cost estimates for this capability. It does expect to have estimates within the next thirty days or so.

7. What is the long-term experience in using these temporary facilities?

A. As stated above, FEMA's long-term experience is primarily with leased and donated facilities.

8. What is in the FY 1991 budget request for temporary facilities? How much was spent in FY 1989 and 1990?

A. The FY 1991 budget request was prepared prior to Hurricane Hugo and contains an amount based upon our historical average experience for leased Disaster Field Office space, including telephone costs, of $ 500,000.00.

FY 1989 - $ 1,367,000.00

FY 1990 (to 3-31-90) - $ 5,407,727.00
This includes the space for the 4 Hugo disasters.

9. Are you aware of existing mobile manufacturing technology which provides transportable equipment for rapid construction of temporary and permanent metal structures?

A. FEMA is well aware of the existence of such technology and has observed a number of demonstrations of such technology in previous years as well as within the last few months. Until Hurricane Hugo we felt we had only a very limited need for this type of support but we are now taking a closer look at available, cost-effective alternatives.

10. I am advised that the Army Corps of Engineers has tested and evaluated such technology with positive results. Additionally, I believe the Army has successfully used this technology in contingency and training exercises. It would appear that such technology might have application for disaster response. I am curious how you might envision use of such equipment to enhance FEMA's response capability.

A. FEMA is currently in contact with representatives of the Department of Defense as well as other departments and agencies such as the U. S. Forest Service, who have a requirement for emergency response capability in order to determine what they have tested, are using, and with what results.

Our primary focus at this time will be to develop through the most efficient and effective means possible, the capability to support a Federal response operation in the absence of undamaged buildings and functioning electricity, at a disaster site.

As we get further in our investigations we will keep you informed of our progress and recommendations.

If you have any further questions, please have a member of your staff contact our Office of Congressional Affairs at 646-4500.

Sincerely,

Grant C. Peterson
Associate Director
State and Local Programs
and Support

Mr. MINETA. Let me again say that there—like this one of Mayor Riley talking about an $814,000 visitor center and transportation center in his city in which $143,000 is FEMA's estimate is in terms of the reimbursement to the city for the damage to that center. We've got an area which goes back to a U.S. Senator's home that's now been converted to an art museum. Someone said, well, go ahead and replace the wallpaper—that's very fine wallpaper—with the $2.00 a roll variety. Well, the Montalbo Association isn't about to accept $2.00 a roll variety paper on that wall when it was really near artwork before. Or even the case of the water system where it wasn't going to cost any more, but FEMA said no, they didn't want to rebuild. They were willing to replace and, yet, what they were suggesting was going to be even less costly because the old line was, let's say, 4,010 feet; the new one was going to be 2,900 feet. But somehow FEMA thought hey, we're building a new system. We can't do this. We'll replace the old, but we won't do what you're suggesting at a lesser cost. There are just innumerable examples of this nature, and I think that's what's led to the credibility problems that FEMA has. I'd like to work with you on these things so we can improve it so it helps you as well as our constituents whether they're in South or North Carolina or California, Puerto Rico, wherever.

Thank you very, very much.

Mr. PETERSON. Thank you, sir.

[Mr. Peterson's prepared statement appears on page 292.]

Mr. MINETA. The committee will now stand adjourned.

[Whereupon, at 5:43 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

PREPARED STATEMENTS OF WITNESSES

STATEMENT OF SUPERVISOR MAGGIE ERICKSON, COUNTY OF VENTURA, CALIFORNIA, ON BEHALF OF NACo* BEFORE THE HOUSE SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT

CHAIRMAN ANDERSON AND DISTINGUISHED MEMBERS OF THE HOUSE SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT. MY NAME IS MAGGIE ERICKSON. I AM A COUNTY SUPERVISOR IN VENTURA COUNTY, CALIFORNIA AND SERVE AS THE CHAIR OF THE NATIONAL ASSOCIATION OF COUNTIES EMERGENCY MANAGEMENT SUBCOMMITTEE. I ALSO CHAIR THE CALIFORNIA ASSOCIATION OF COUNTY SUPERVISORS (CSAC) HEALTH AND WELFARE COMMITTEE AND SERVE ON CSAC'S EXECUTIVE COMMITTEE.

MR. CHAIRMAN, MY ACTIVE INVOLVEMENT WITH DISASTER ASSISTANCE AND FEMA BEGAN IN 1980 WHEN VENTURA COUNTY WAS DECLARED A FEDERAL DISASTER AREA IN THE WAKE OF A DEVASTATING FLOOD. SUBSEQUENTLY, IN 1982, AS CHAIR OF THE VENTURA COUNTY BOARD, I WAS A MEMBER OF THE COUNTY'S UNIFIED DISASTER COUNCIL. THE COUNCIL HAS COORDINATING RESPONSIBILITY FOR EMERGENCY RESOURCES AND RESPONSE AMONG THE COUNTY, CITIES, PRIVATE SERVICE ORGANIZATIONS AND OTHERS INVOLVED IN DISASTER PREPAREDNESS AND RESPONSE. AGAIN, IN 1983, VENTURA COUNTY EXPERIENCED ANOTHER WIDESPREAD FLOODING EVENT, AND WAS ONE OF A NUMBER OF COUNTIES

---

* NACo IS THE ONLY NATIONAL ORGANIZATION REPRESENTING COUNTY GOVERNMENT IN THE UNITED STATES. THROUGH ITS MEMBERSHIP, URBAN, SUBURBAN, AND RURAL COUNTIES JOIN TOGETHER TO BUILD EFFECTIVE, RESPONSIVE COUNTY GOVERNMENT. THE GOALS OF THE ORGANIZATION ARE TO: IMPROVE COUNTY GOVERNMENT; SERVE AS THE NATIONAL SPOKESMAN FOR COUNTY GOVERNMENT; ACT AS A LIAISON BETWEEN THE NATION'S COUNTIES AND OTHER LEVELS OF GOVERNMENT; AND ACHIEVE PUBLIC UNDERSTANDING OF THE ROLE OF COUNTIES IN THE FEDERAL SYSTEM.

INCLUDED IN THE FEDERAL DISASTER DECLARATION. MOST RECENTLY, IN JULY, 1985 THE COUNTY'S THIRD SUPERVISORIAL DISTRICT WHICH I AM PRIVILEGED TO REPRESENT WAS STRUCK BY A MAJOR FIRE THAT SWEPT THROUGH THE WHEELER CANYON. THE FIRE BURNED 118,000 ACRES OF THE LOS PADRES NATIONAL FOREST AND SURROUNDING COUNTY LANDS. OVER $10 MILLION WAS SPENT AND 3,180 FIREFIGHTERS WERE INVOLVED BEFORE THE FIRE WAS FINALLY CONTAINED. THIS MAJOR EVENT WAS SUBSEQUENTLY DECLARED A FEDERAL DISASTER BY PRESIDENT REAGAN.

THESE EXPERIENCES HAVE GIVEN ME AND MY FELLOW SUPERVISORS IN VENTURA COUNTY AT LEAST SOME INSIGHT AS TO THE NATURE AND EFFECTIVENESS OF FEDERAL DISASTER ASSISTANCE.

THIS MORNING I WILL TRY TO PROVIDE A GENERAL PERSPECTIVE ON FEMA THAT IS BASED IN PART ON NACo'S ASSESSMENT OF THE AGENCY'S PERFORMANCE SINCE ITS FORMATION IN 1979 COUPLED ALSO WITH MY OWN FIRST HAND EXPERIENCES.

FORTUNATELY, I SHOULD QUICKLY ADD MR. CHAIRMAN, THAT VENTURA COUNTY WAS NOT DIRECTLY INVOLVED IN THE RECENT LOMA PRIETA EARTHQUAKE. AT ITS CLOSEST POINT THE COUNTY WAS SOME 300 MILES FROM NISENE MARKS, THE LOCATION OF THE EPICENTER NEAR THE VILLAGE OF APTOS IN SANTA CRUZ COUNTY.

I WILL LEAVE IT TO SUPERVISOR FRED KEELEY, THE CHAIR OF THE COUNTY SUPERVISOR'S ASSOCIATION OF CALIFORNIA (CSAC) EARTHQUAKE RELIEF LEGISLATIVE TASK FORCE, TO PRESENT CSAC'S COMPREHENSIVE

REPORT ON THE LOMA PRIETA EARTHQUAKE AS WELL AS THE ASSOCIATIONS ACTION PLAN FOR MEETING UNMET NEEDS. LET ME INSTEAD COMMENT ON SEVERAL MAJOR ISSUES THAT DIRECTLY RELATE TO FEMA WHICH ARE OF CONCERN TO NACo AND FOR THAT MATTER, ALL STATE AND LOCAL GOVERNMENTS.

AT THE OUTSET MR. CHAIRMAN LET ME SAY THAT FEMA OPERATES AT THREE BASIC LEVELS: (1) HELPING JURISDICTIONS PREPARE FOR DISASTERS, (2) ASSISTING THEM IN RESPONDING TO DISASTERS, AND FINALLY (3) HELPING COMMUNITIES IN THE RECOVERY OPERATIONS.

OF THESE MODALITIES, THE MOST TROUBLESOME FOR FEMA AND FOR US ARE THE RESPONSE AND RECOVERY OPERATIONS. BUT ALL OF THESE ACTIVITIES REQUIRE (1) A SOLID RESERVOIR OF POWER, (2) A HIGH LEVEL OF PROFESSIONALISM, AND (3) IMMEDIATE HANDS ON EXPERIENCE.

1. COORDINATION OF FEDERAL EFFORT

THE OVERWHELMING FUNCTION OF FEMA, MR. CHAIRMAN, WHICH SPANS THE PREPARATION, RESPONSE AND RECOVERY PHASES IS THE COORDINATION OF FEDERAL EFFORT. THIS FUNCTION IS NECESSARY IN GETTING INDEPENDENT FEDERAL AGENCIES, THE MILITARY AND THE VOLUNTARY SECTOR TO WORK TOGETHER IN A COORDINATED MANNER DURING A PERIOD OF CRISIS.

IT IS CLEAR TO US THAT THIS COORDINATION CAN ONLY BE SUCCESSFULLY ACCOMPLISHED AT THE HIGHEST LEVEL OF GOVERNMENT-- THAT IS THE EXECUTIVE OFFICE OF THE PRESIDENT.

FOR TWENTY YEARS, FROM THE MID-50'S TO THE EARLY 70'S, THIS CRITICAL RESPONSIBILITY WAS CENTERED IN THE OFFICE OF EMERGENCY PREPAREDNESS (OEP) WITHIN THE EXECUTIVE OFFICE OF THE PRESIDENT.

THEN IN 1973, OEP WAS MOVED OUT OF THE WHITE HOUSE AND AS PART OF A REORGANIZATION PLAN, THE FEDERAL DISASTER ASSISTANCE FUNCTION WAS TRANSFERRED TO HUD WHERE IT REMAINED FOR SEVERAL YEARS.

IN 1979, THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) WAS CREATED TO UNIFY EMERGENCY MANAGEMENT AND TO CONSOLIDATE A NUMBER OF RELATED ACTIVITIES SUCH AS FLOOD INSURANCE, THE FIRE ACADEMY, CIVIL DEFENSE AND DISASTER ASSISTANCE IN ONE AGENCY. MR. CHAIRMAN, THE DISASTER ASSISTANCE PROGRAM IS STILL REFERRED TO AS "THE PRESIDENT'S PROGRAM" BUT THERE IS ONE MAJOR DIFFERENCE -- IT IS NO LONGER WITHIN THE PRESIDENT'S OFFICE.

A MAJOR ARTICLE ENTITLED, "IN THE EYE OF THE STORM," BY STEVE PIACENTE WHICH APPEARED IN THE DECEMBER 1989 ISSUE OF GOVERNMENT EXECUTIVE, IMPLIED THAT "FEMA WAS NO LONGER IN CHARGE" OF COORDINATING FEDERAL EFFORT WHEN THE EARTHQUAKE STRUCK ON OCTOBER 17. IN THE WAKE OF CRITICISM FOLLOWING FEMA'S ROLE IN THE HUGO DISASTER, THE ARTICLE ASSERTS THAT "JOHN SUNUNU WAS CALLING THE SHOTS."

THE IMPLICATION THAT THE WHITE HOUSE HAD TO TAKE OVER THE COORDINATION FUNCTION ILLUSTRATES OUR POINT THAT THE JOB CANNOT BE EFFECTIVELY ACCOMPLISHED WITHOUT THE POWER OF THE WHITE HOUSE BEHIND IT.

2. COMPARING FEMA'S STATUS AS A PUBLIC SAFETY AGENCY

OUR SECOND POINT PERTAINS TO PROFESSIONALISM. MR. CHAIRMAN, IF YOU COMPARE FEMA TO OTHER AGENCIES OF THE FEDERAL GOVERNMENT WITH PUBLIC SAFETY RESPONSIBILITY THERE ARE SOME GLARING DIFFERENCES. AT THE FBI, FOR EXAMPLE, NO ONE CAN HEAD UP A REGIONAL OFFICE WITHOUT FIRST BEING PROMOTED THROUGH THE RANKS AND ALL NEW AGENTS AT THE BUREAU ARE REQUIRED TO COMPLETE AN EXTENSIVE TRAINING PROGRAM AT THE FBI ACADEMY IN QUANTICO PRIOR TO REPORTING TO ACTIVE DUTY.

AT THE CENTERS FOR DISEASE CONTROL OR THE FEDERAL AVIATION ADMINISTRATION SPECIALIZED TRAINING AND/OR EDUCATIONAL REQUIREMENTS HAVE BEEN ESTABLISHED FOR SPECIALIZED POSITIONS. AT FEMA, ALL REGIONAL DIRECTORS ARE POLITICAL APPOINTEES DESPITE THE HIGHLY SPECIALIZED NATURE OF THE WORK. FOR THESE AND OTHER HIGH LEVEL POSITIONS, THERE ARE APPARENTLY NO REQUIREMENTS OTHER THAN TO HAVE BEEN ACTIVE IN THE POLITICAL PARTY IN POWER.

MICHAEL WINES WRITING IN THE NEW YORK TIMES OF OCTOBER 25, 1989 UNDER THE HEADLINE, "U. S. RELIEF AGENCY SEEKS RELIEF FROM CRITICISM," DISCUSSED SOME OF FEMA'S PROBLEMS:

> "THE AGENCY HAS BEEN WITHOUT A PERMANENT DIRECTOR SINCE JUNE...ITS SENIOR POSTS ARE FILLED NOT WITH DISASTER-RELIEF EXPERTS, BUT WITH POLITICAL APPOINTEES OF VARYING ABILITY."

MR. CHAIRMAN, NACo STRONGLY FAVORS ENHANCING THE LEVEL OF PROFESSIONALISM AT FEMA. WE WOULD URGE THAT THE COMMITTEE

CAREFULLY ANALYZE TRAINING AND STAFF REQUIREMENTS AT FEMA IN RELATION TO OTHER FEDERAL PUBLIC SAFETY AGENCIES WITH COMPARABLE RESPONSIBILITY AND AUTHORITY. THIS IS NOT TO SUGGEST THAT THERE AREN'T SOME VERY OUTSTANDING CAREER PROFESSIONALS AT FEMA -- ALL WE ARE SAYING IS THAT THIS AGENCY HAS THE MAJOR MISSION OF PROTECTING HUMAN LIFE AND PROPERTY AND THAT THE LEVEL OF PROFESSIONALISM AT THE AGENCY NEEDS TO BE ENHANCED. THE FACT THAT THERE HAS BEEN NO DIRECTOR SINCE JUNE IS CERTAINLY VERY TROUBLING TO US.

3. FIRST RESPONSE CAPABILITY

WHILE NACo HAS A STRONG BIAS IN FAVOR OF LOCAL DECISIONMAKING AND CONTROL DURING TIME OF EMERGENCY OR DISASTER, AND ACTIVELY SUPPORTS THE ESSENTIAL RESPONSIBILITY OF LOCAL GOVERNMENTS TO BE PREPARED, WE RECOGNIZE THAT THERE ARE MAJOR DISASTERS AND CATASTROPHES WHICH ARE SO TOTALLY DEVASTATING THAT THE CAPACITY OF THE COUNTY AND/OR THE STATE TO RESPOND APPROPRIATELY IS NON-EXISTENT. IN THOSE CIRCUMSTANCES, MR. CHAIRMAN, A FIRST RESPONSE CAPABILITY AT FEMA WOULD BE DESIRABLE. LET ME ALSO ADD THAT UNDER ALL CIRCUMSTANCES, WE WOULD EXPECT THAT FEMA WOULD BE A STRONG AND VALUABLE ADVISOR AND PARTNER IN THE RESPONSE AND RECOVERY OPERATIONS -- THIS CLEARLY HAS NOT ALWAYS BEEN THE CASE.

EVEN THOUGH LOCAL GOVERNMENTS MAY LACK FINANCIAL AND TECHNICAL RESOURCES TO DEAL WITH DISASTER SITUATIONS, THEY ALMOST ALWAYS HAVE SUPERIOR KNOWLEDGE OF LOCAL NEEDS AND CAPABILITIES.

SUMMARY

IN SUMMARY, MR. CHAIRMAN, NACo STRONGLY RECOMMENDS THAT THE FUNCTION OF COORDINATING FEDERAL DISASTER ASSISTANCE TAP THE INHERENT POWER WITHIN THE EXECUTIVE OFFICE OF THE PRESIDENT. SECONDLY, NACo STRONGLY FAVORS ENHANCING THE LEVEL OF PROFESSIONALISM AT FEMA, AND FINALLY, MR. CHAIRMAN, WE NEED TO ESTABLISH AT FEMA A FIRST RESPONSE CAPABILITY -- NOT REPLACING LOCAL GOVERNMENT AS A FIRST LINE OF DEFENSE, BUT TO PROTECT HUMAN LIFE AND PROPERTY WHEN THE FRONT LINES ARE OVERWHELMED.

Statement of: Johnnie T. Flynn, Supervisor and Chairman of County Council,
Berkeley County, South Carolina.

Chairman Anderson, Committee Members, Members of Congress, Ladies and Gentlemen:

I would like to thank you, on behalf of Berkeley County, for this opportunity to speak to the Committee on Public Works and Transportation in regards to FEMA's response to Hurricane Hugo.

As many of you are aware, on September 21, 1989, Hurricane Hugo made landfall in the late evening and early morning hours of September 22, 1989. Although Berkeley County is not a coastal county, we are just northwest of Charleston County and received the brunt of the storm as it traveled along the coastline of South Carolina. It was only as dawn approached on the 22nd that we were aware of the magnitude of the devastation caused by Hurricane Hugo. From the Emergency Operations Center at the County Office Building located in the county seat in Moncks Corner, we withstood the full force of the hurricane winds and suffered extensive damage as did many of our residents. Imagine if you can a major thoroughfare that was graced with lovely century-old live oak trees that is no longer the same. It required approximately six hours for our crews to open a thoroughfare along this roadway to the two major arteries providing access to Moncks Corner from Charleston and from Summerville. We spent the first day simply trying to reach the most needy citizens and were unable to recover several of the bodies of those who had perished in the hurricane until Saturday. Through the exemplary efforts of local organizations such as the volunteer fire departments throughout the county, we were eventually able to reach all citizens and provide essential items for living: water, food, and shelter. It has been a long arduous road from that point but I am happy to say that now, some seven and a half months after the hurricane, we are in a positive rebuilding environment. Each day as I traverse the county, however, I am reminded of the ravages of the hurricane. There is hardly a road in the county that does not show some sign of destruction caused by that great force. Since the majority of our county is rural, it will be some time yet to come before we are able to clean up and restore our county to its once pristine beauty. As you may be aware, approximately thirty percent of Berkeley County's land mass is home to the Francis Marion National Forest which was seventy percent destroyed by the hurricane. This is indicative of the overall damage that our populace has suffered.

Let me now address FEMA and its response in assisting our citizens. Within three days after the hurricane touched down, we were contacted by an initial assessment team from FEMA which asked me to coordinate meetings with all local governmental entities and other affiliated groups to begin the preliminary assessment work. As you may imagine, this was an extremely difficult time but the local mayors and representatives of town councils were more than happy to meet with FEMA in order to begin the work to rebuild their communities. Of all the groups with which I dealt representing FEMA, this was perhaps the most helpful. The two gentlemen who came to the county explained in the best manner they could the necessary paperwork to be filed and the type of assessments they were looking for. Although these were preliminary assessments, I understand the significance in that such assessments furthered the development of future FEMA assistance. As you may imagine, during the early hours of our response to the hurricane, we were not in a mode to anticipate the record keeping requirements and were extremely thankful that such a team was sent to Berkeley County to prepare us for the onslaught of forms with which we would have to deal in order to receive public assistance. Although the time frame within which we had to work was very limited, we were able to estimate figures and provide some initial damage assessments which have now proven to be fairly accurate.

After this initial meeting with FEMA, I must say I was not as pleased with the follow-up staff which was located in our area to assist us in responding to the destruction caused by Hugo. Before I launch in to a litany of complaints, however, I would like to express my gratitude and appreciation for all that FEMA has done. We in Berkeley County would certainly not be in the position we are today without the assistance of FEMA. What we hope to offer at this hearing is constructive criticism which would allow FEMA to understand local government's viewpoint and the problems we encountered with FEMA's policies.

After having the opportunity to fly over Berkeley County in a helicopter and view the extensive damage first hand, I immediately realized that with our limited staff we would be unable to administer and oversee all the contractual arrangements to begin the debris removal which was desperately needed to allow our citizens to return to their homes. With this thought in mind, I contacted our congressional delegation and governor and sought their assistance in having the Corps of Engineers tasked to administer contracts. So that you may understand the full force of my dilemma, I presently have one individual, the County Engineer, who acts as administrator of the remaining debris contracts.

I have reassigned my Public Works Director to the landfill solely to oversee the burn sites which were created as the result of the need for debris removal. Although my public works staff is very able to handle most jobs, they had been working straight through from the hurricane for approximately six days and though they comprise no more than forty personnel, they offered a extensive emergency response to help people get out of their homes and seek receive needed aid. From my initial contacts with our Washington delegation, it appeared that having the Corps tasked to administer the contracts was not an alternative which FEMA would elect. I was unaware of the turf battles which FEMA and the Corps have encountered in the past. We encountered resistance whenever we met with FEMA and discussed the Corps' administration of contracts within the county. This petty battle of authority did not enhance the response necessary to allow our citizens the opportunity to begin renovation of their homes and businesses. Valuable time and taxpayers' dollars were wasted during the interim period between FEMA's discussion and acceptance of the Corps as the administrator of the contracts. Someone has suggested that FEMA is nothing more than a "check writing" agency and has no true disaster response requirements or abilities. If this is the case, then it seems unlikely that they should be so opposed to an organization such as the Corps of Engineers being tasked to assist with matters which they deal with on a daily basis. Perhaps our vision of FEMA as the white knight riding to the rescue was misplaced. We had expected more disaster management assistance rather than a bureaucratic response from FEMA. Since FEMA was reportedly in South Carolina 48 hours prior to Hugo's arrival, it would have been wise if certain emergency tasks and needs could have been anticipated for the disaster which ensued. It would have been helpful to have received a copy of the publication outlining disaster (Exhibit "D") relief prior to the hurricane so we could adequately prepare and advise our citizens. We were in dire need of generators, water and food during the first few days. We were also hampered by not having sufficient road clearing machinery to quickly reach our citizens. We are indebted to National Guard units and the Marines without whose help we would not have been able to reestablish our sewer lines, roadways and utility right of ways.

During the first two days after the hurricane, we saw the volunteer network fall apart as many volunteers evacuated northward , leaving no one to staff the shelters or food distribution points. This hampered our response efforts as we were required to assume additional tasks in assisting our citizens. We are especially thankful for the Mennonite Disaster Service, the Southern Baptist Conference and the United Methodists for their initial and continued assistance. These groups have pledged to remain in our county until all needs are met.

I can assure you our initial estimates of the debris generated as the result of the hurricane were extremely low. We are still operating under several DSR's for approved contracts to remove debris and have not yet addressed the problems with debris remaining on private property, which will probably remain untouched for at least a year if not several more. As I am sure you are aware, and I would hope you can appreciate, this debris remaining on the ground presents perhaps the greatest fire risk that our county has ever encountered. Although we will continue to work very closely with the National Forest Service and the S. C. Forestry Commission, there is a grave concern for the forest fire which may develop and will spread across the county in a conflagration. We especially applaud FEMA's participaticn in the "Gimme 12" media campaign to make our citizens aware of this fire risk. This represents a truly positive and innovative expenditure of funds to alleviate potential dangers.

Once the Corps was tasked and FEMA accepted their administration of contracts, we then began the battle of what would be covered by FEMA DSR's and what debris could be removed. Since our initial discussions, we have finally convinced FEMA that due to the rural nature of our county, certain debris removal would have to take place on private property as many of our citizens do not live immediately adjacent to a State or publicly maintained road. This created confusion because one of the very first contracts awarded by FEMA in our area (in another county) was to provide private debris removal at a resort on one of the barrier islands. This came at a time when we were requesting assistance to provide debris removal within almost one hundred mobile home parks in our county. Although the Corps never awarded these contracts, FEMA did relent and allowed us to award contracts which will be paid in part with FEMA funds although administered by the county.

In bidding contracts we worked very closely with FEMA's representatives to arrive at a pre-bid figure so that we would know whether or not we could award the contracts. In almost every case, the initial figure developed by FEMA was drastically lower than the bids actually received. In light of the fact that FEMA allowed us to award every contract with supplementary DSR's, common sense would dictate that FEMA be more reasonable in establishing their initial bid amounts so that valuable time is not wasted in creating supplementary DSR's or on unnecessary negotiations with the bidders who have offered their best bid price initially.

In addition to the problems encountered in the removal of debris, we were outraged to learn that the initial disaster application centers (DAC's) for private assistance, which process the applications for FEMA grants and SBA Loans to private citizens, were all to be located in Charleston County. Five were to be opened, but not one DAC was to be located in Berkeley County. Imagine if you may my consternation in learning that the largest county within the State of South Carolina would not have one DAC, while Charleston County, one of the counties with a smaller land area, would have five. I pleaded with the President's appointee overseeing FEMA to establish a DAC in Berkeley County so that some of our citizens would not encounter a possible sixty mile drive to make the necessary application to receive assistance. This problem arose at a time when gasoline was still a precious commodity due to the lack of electricity to run pumps. Fortunately through the assistance of our congressional delegation and our efforts, we were able to locate a DAC in Berkeley County very close to the county seat, which allowed all of our citizens to experience no more than a thirty mile drive one way. When this center was opened, we received complaints from the FEMA staff about the size and conditions of the center. Concern was also expressed about the lack of telephones and other amenities. These complaints mystified me as I thought FEMA was there to help our citizens who were without these amenities and in some cases even shelter. In conjunction with the school system, we were able to provide personnel to take applications as FEMA did not have an adequate staff in Berkeley County. The Vice President's wife, Marilyn Quayle, visited this DAC and even assisted in taking applications and can attest to the large number of citizens requiring assistance at this location. As it turned out, this disaster application center was one of the last to close in the state.

In addition to this problem, we were also advised that FEMA has the capability to place mobile homes within a disaster area to provide temporary housing until such time as more permanent structures can be located. We were told by FEMA that this housing would have to be located on public lands and would, therefore, be sited at the Charleston Air Force Base, again some sixty miles away for some of our citizens. Although we showed FEMA a section of the U.S. Code allowing these structures to be placed on private as well as public properties, we were never able to locate any homes in Berkeley County except through the efforts of such organizations as the Billy Graham Ministries. Since these were in closer proximity to our citizens' homes and jobs they were not forced to spend all of their time commuting back and forth while trying to restore their lives to some semblance of normalcy.

In later meetings with FEMA, we were very surprised to learn that certain payment rates would be applied towards our immediate disaster relief efforts. Imagine my surprise, after approving the purchase of six generators at a cost of $2,000 each, being advised by my Finance Director that FEMA would compensate us only for the rental value per hour ($1/hr) and then only for a very narrow time frame prior to and immediately after the hurricane. As an example of the woefully inadequate rates, we were advised that we could receive compensation at a rate of 85 cents an hour for the use of chain saws in reaching people who needed medical and other emergency assistance. This 85 cent rate includes the fuel and other maintenance materials necessary to operate these chain saws. This came at a time when chain saws were not even available. Prior to the hurricane, I am not aware of any location within Berkeley County where you could rent a chain saw for a half day (or a five hour time period) for less than $20. Yet FEMA expected us during this critical time period to locate saws at approximately 20 percent of the pre-Hugo prevailing rate at a time when most people were more than willing to pay a premium price for chain saws if they could locate any. As I had mentioned earlier, we relied quite heavily on our volunteer fire departments to provide needed assistance until such time as we were able to clear a path to each location throughout the county. Each one of these twenty-six fire departments did an admirable job in operating as a local emergency center assisting their citizens on the closest grass roots level available. To their dismay, however, since they are volunteer fire fighters, they were advised by FEMA that they would not be compensated in any form or fashion for hours expended and only for expenses if they were able to establish, through extensive paper work, documenting time, location, number of personnel and equipment used to receive reimbursement. I can assure you, even though we were somewhat prepared, we are still struggling to reconstruct the necessary historical data to comply with FEMA's multitude of regulations and requirements to seek adequate reimbursement. My Finance Director advises me that due to the intricacies of the requirements of such reporting, it is unlikely that we will be fully compensated for most of the work that was done immediately following the hurricane, when our people were more interested in saving lives and responding to medical emergencies than taking the time to fill out a form, dot the "i's" and cross the "t's" in order to receive reimbursement.

This cavalier attitude on behalf of unaffected FEMA representatives who do not have to respond directly to the citizens of an area ravaged by a natural disaster also became apparent through the actions of the presidential appointee who headed FEMA's response in South Carolina. On more than one occasion my staff members expressed their dismay at his attitude in responding to reasonable requests. Although I can appreciate the stress he was under in trying to respond to the numerous requests, each one of us as elected officials and public servants had to encounter similar levels of stress. The slowness with which FEMA responded to the needs of South Carolina citizens did serve one good purpose. When the unfortunate earthquake struck in northern California, FEMA appeared to be more prompt and adept in responding to the needs of the Californians. We are glad to have served as the training ground for the response that was extended to the citizens of California.

Recently in this very city in March, I attended a hearing sponsored by the National Association of Counties at which a commissioner from one of the counties in California spoke. Although she was somewhat pleased with FEMA's response, it is my understanding that public servants and citizens from that area of the country share our displeasure with FEMA's response. I can certainly understand the concern exhibited towards cities and counties with a large population, as there were times when I felt that all aid was flowing towards the city of Charleston and was quite frustrated that Berkeley County was not offered as much assistance from the American Red Cross or any of the other associated disaster relief agencies. I can assure you that in Berkeley County we were able through the help of citizens all across this country to develop our own relief network. It is unfortunate that we were not given the opportunity to develop such a relief network with FEMA and had to rely solely on the responsiveness of the staff. On several occasions the FEMA staff seemed to have an "it's another day at work" attitude in dealing with the people who had lost a substantial portion of their lives. Capt. Worthy of the Salvation Army addressed this concern recently at the Hurricane Conference held in Houston and proposed that FEMA be authorized to give immediate grants of small sums ($50 or less) to help citizens get back on their feet. From my perspective I agree, if the worst that happens is that some citizens get more than they are entitled, have we really failed as a government? We had people who were unable to seek dry cover from the rainstorms in the period shortly after the hurricane. We were concerned about our budget integrity as we did not receive the first payment from FEMA until November 28, 1989. This was over a month and a half after we awarded contracts for burn sites at FEMA's request at a daily rate in excess of $16,000/day. I am pleased to note that more prompt review and disbursement is now occurring. My Finance Director and County Engineer are still spending untold hours attempting to work with FEMA in response to the citizens of Berkeley County. As the result of their dedication and work in dealing with the numerous DSR's, their own tasks and responsibilities have fallen by the wayside, but we are committed to help our citizens recover from the hurricane in as short a time as possible. We would appreciate any consideration this oversight committee could offer in mandating that FEMA respond more promptly in a more practical fashion with better capability to the needs as identified by local government officials. Perhaps more than any other group we are intimately aware.of the needs and requirements of our citizens. As an example, I have been working very hard with representatives from the other two counties in our area to convince FEMA that they should approve funding for additional aerial applications of mosquito pesticides. Although this may seem to be trivial and insignificant to them, and perhaps you, I can assure that every uprooted tree, and please recall we lost seventy percent of the National Forest which is comprised a total of 190,000 acres, has created a pool within which mosquitos breed and as each of those mosquitos grows to adulthood and takes wing, this will be a very long, hot summer for our citizens and all visitors to our area.

In conclusion let me offer the following recommendations:

1. Task FEMA to develop a closer working relationship with local disaster preparedness directors. Develop more opportunities for these officers to share their experiences and create a pool of experts that can assist during the critical phase immediately after disaster strikes. We have worked very closely with other counties throughout our region to help identify problem areas. We were among the first to hold our own critique and also have responded to other critiques. I testified at Mr. Lunsford's review of the State response.

2. Make clear to governmental entities FEMA's true role - if it is only check writing, then say so - if more, then fund them and provide them with the staff to accomplish their goals and objectives. We can't comment on the Stafford Act and its effect as this was our first disaster and this represents our history with FEMA and its response.

3. When a disaster the magnitude of Hugo occurs, there needs to be a better channel of communication between the levels of government. We are working with the State to better coordinate this but we feel that local government should be accorded more respect through the federal level as well. In the final review, we are the form of government that citizens look to for the basic necessities and guidance for restoring their lives.

4. Regionalization may work for other programs but localized response is needed to provide effective assistance. Unless we are given more authority, it is necessary that additional personnel be tasked to review and recommend approval on contracts, SBA loans, disaster applications and so on within close geographical boundaries - preferrably at least on a county by county level.

5. County officials have become experts at getting maximum use out of funding and should be allowed to both coordinate and develop the contracts to respond to the particular needs of the county. We felt that many times cost savings could have been enjoyed through other than FEMA approved methods. On the other hand, we are in the best position to admit when we need assistance - such as the Corps acting as administrator - and should be accorded more credibility to such requests.

6. Develop training opportunities relying on all levels of responders to get the word out on how to prepare adequately for disasters. Perhaps a nationwide pool of emergency directors could respond more adequately than

relying on "hired help". With Federal assistance a certification program could be established that would require Civil Defense representatives to spend time assisting in actual disasters. The personnel who worked during Hugo and the earthquake represent your most talented and experienced pool of crisis management when the next disaster strikes. Put some of these people on the road or create a task force to oversee revision to FEMA'S responsibilities or local governments response to future disasters.

7. As a continuation of this thought, spend some time developing information from a variety of sources. I commend you for including a representative from cities, counties and states to offer suggestions. You could go further and meet with citizens - perhaps through follow-up of approved disaster assistance requests. Review other agencies responses - we have been especially pleased by the efforts of the Soil Conservation Service to help clear the many miles of drainage ditches throughout our county. This multi-agency approach is necessary based on particular knowledge and expertise in drainage ways - we only wish they had more funding to complete their work.

8. Provide self contained - immediate response facilities for DAC's or allow local government to take a more active role in initial private assistance applications. We offered to begin the process earlier than 12 days after the hurricane but were advised by FEMA that it would be unacceptable. As it turned out, we provided the core of volunteers who took the majority of applications - perhaps a unit could be assigned to each county to establish the application force until more seasoned employees arrive.

Also attached to my comments today for review are the following exhibits:

A. Total assessed damage to Berkeley County.

B. A copy of the windshield damage assessment provided by National Red Cross.

C. Copy of a Washington Post article regarding FEMA's response in Berkeley County.

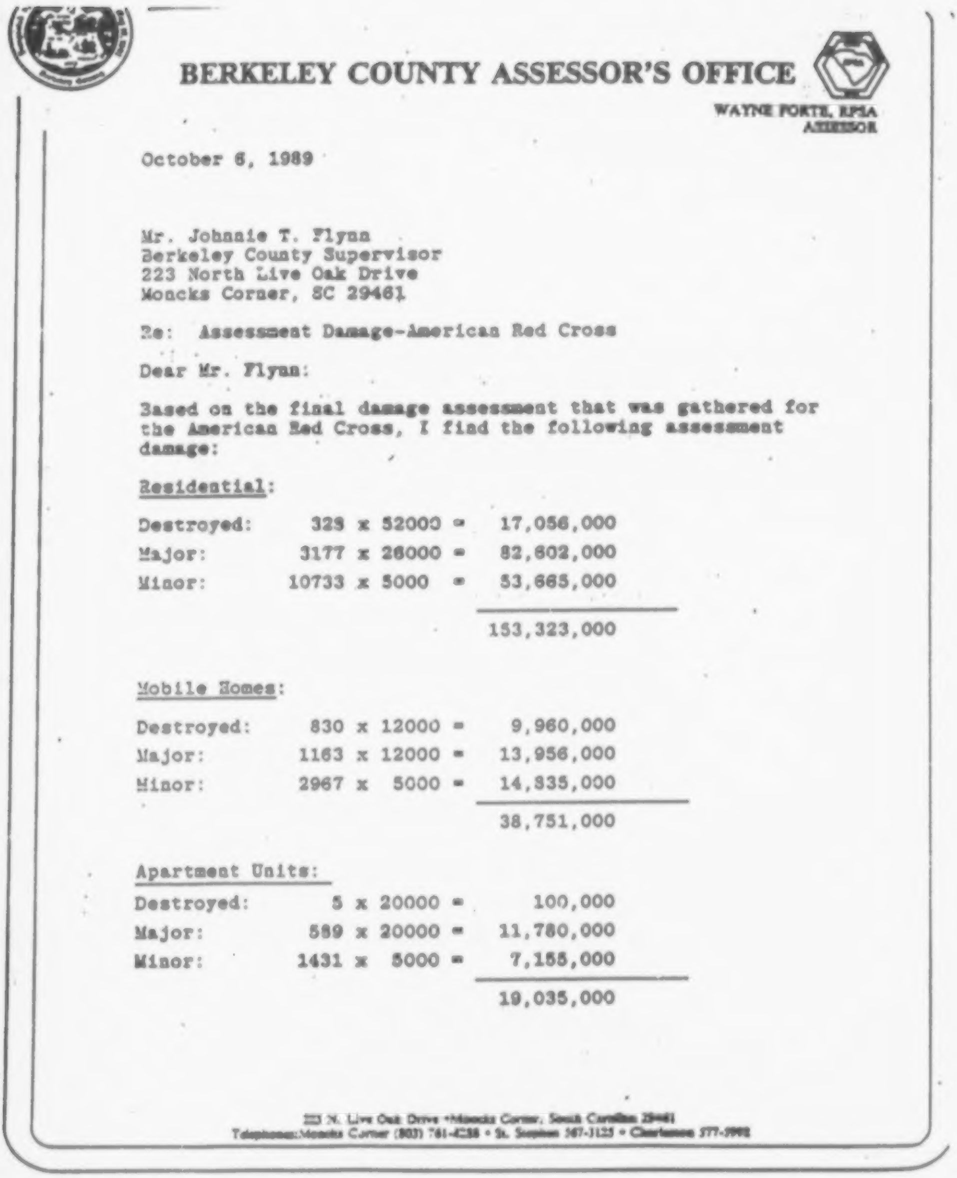
D. Highlighted material from a publication discussing a resource material.

E. Information from the Soil Conservation Service regarding their efforts to provide debris removal services.

F. Mosquito article from local newspaper with correspondence from Governor's office.

G. Statement regarding SBA response from new employee of county.

Thank you for your time and the opportunity to present these concerns to you.



BERKELEY COUNTY ASSESSOR'S OFFICE

WAYNE FORTE, RPSA
ASSESSOR

October 6, 1989

Mr. Johnnie T. Flynn
Berkeley County Supervisor
223 North Live Oak Drive
Moncks Corner, SC 29461

Re: Assessment Damage-American Red Cross

Dear Mr. Flynn:

Based on the final damage assessment that was gathered for the American Red Cross, I find the following assessment damage:

Residential:

Destroyed:	328 x 52000 =	17,056,000
Major:	3177 x 26000 =	82,602,000
Minor:	10733 x 5000 =	53,665,000
		153,323,000

Mobile Homes:

Destroyed:	830 x 12000 =	9,960,000
Major:	1163 x 12000 =	13,956,000
Minor:	2967 x 5000 =	14,835,000
		38,751,000

Apartment Units:

Destroyed:	5 x 20000 =	100,000
Major:	589 x 20000 =	11,780,000
Minor:	1431 x 5000 =	7,155,000
		19,035,000

October 6, 1989
Page Two

Business/Public Damage

Destroyed Major:	237 x 100,000	=	23,700,000
Destroyed Major:	87 x 100,000	=	8,700,000
			32,400,000

Content Damage

Destroyed:	1527 x 10,000	=	15,270,000
Major:	4370 x 5,000	=	21,850,000
Minor:	11726 x 2,000	=	23,452,000
			60,572,000

Grand Total = $304,081,000

Schools: ?

Industry: ?

If further information is needed or required, please contact me at your convenience.

Yours truly,
Wayne Fort
Wayne Forte, RPSA
Assessor

WF/br
cc

EXHIBIT B

FINAL BERKELEY COUNTY

DR Number	Name of Operation	Region	Territory Code	Territory Name	State Code	State Name	Prepared By:	Time	Date
015	Hurricane Hugo Mainland	III	058	Carolina Low Country		S.C	MALASKA	8:00 AM	10-6-89

Counties and Communities Chapter Jurisdictions	UNITS CHECKED	Chapter Code	SINGLE FAMILY DWELLINGS 01 Destroyed 3	09 Major 2	11 Minor 1	MOBILE HOMES 19 Destroyed 3	21 Major 2	22 Minor 1	APARTMENTS 28 Destroyed 3	27 Major 2	29 Minor 1	TOTAL UNITS	CONTENT DAMAGE Destroyed 3	Major 2	Minor 1	TOTAL	Businesses	Public Bldgs
RIDGEVILLE	157		1	-	21	1	5	24	-	-	-	52	2	12	36	50		
BONNEAU	1786		27	83	479	82	91	241	·	·	·	1005	134	223	580	937	11	4
EADYTOWN	118		-	11	8	6	22	16	2	3	2	70	17	32	24	73		
LADSON	2366		12	75	670	34	70	177			133	1191	48	154	762	964	32	3
PINEVILLE	647		16	51	187	31	32	61			2	380	94	92	188	374	1	3
MONCKS CORNER	6063		64	434	1508	190	259	481	2	15	263	3216	303	607	1619	2529	46	20
WANDO	852		7	43	111	14	31	39		1	3	249	22	93	139	254	14	9
ST. STEPHENS	2382		47	296	532	140	101	203		25	78	1422	240	280	628	1148	40	20
RUSSELLVILLE	320		6	11	80	10	2	31				140	24	25	75	124		1
CROSS	1749		23	131	284	70	166	203				877	109	255	466	830	5	4
HUGER	1080		21	93	277	36	53	124				604	57	161	354	572	7	5
HONEY HILL	74		-	3	9	3	3	12				30	3	4	17	24	-	·
PINOPOLIS	363		1	35	155	4	2	13				210	5	36	160	201		1
SHULERVILLE	127		2	9	61	3	2	6				83	6	4	39	49		
PRINGLETOWN	48		-	2	1	3	4	-				10	1	3	9	13		1
SUMMERVILLE	6389		43	315	1677	129	167	703			26	3060	174	482	1768	2424	40	7
HANAHAN	3722		25	467	1179	22	49	180		71	271	2264	112	464	1290	1566		
GOOSE CREEK	10272		25	1069	3360	35	73	396	1	474	653	6086	154	1386	3424	4964	40	4
BETHERA	84		2	17	19	6	5	7				56	7	25	20	52	2	2
JAMESTOWN	380		4	32	115	11	6	50				218	15	32	128	175	-	2
TOTALS	38,795		328	3177	10733	830	1163	2967	5	587	1431	21,223	1527	4370	11,726	17,623	237	87

Page ___ of ___

Displaced 6092

14238

4960

2030

EXHIBIT C

THE WASHINGTON POST - October 4, 1989

Lag in U.S. Aid Angers Hugo Victims

Relief Centers Open, but Applicants Face Long Waits

By John Lancaster
Washington Post Staff Writer

MONCKS CORNER, S.C., Oct. 3—Lorine Sweatman survived the violent hurricane that ripped the roof off her mobile home and deposited a tree in her living room. It was the federal government that left her in tears.

In search of funds to help replace her uninsured trailer, the 42-year-old widow endured torrential rains and a seven-hour wait Sunday at a federal relief center here, but was told to come back the next day. A two-hour session Monday with the Federal Emergency Management Agency (FEMA) did little to calm her fears.

"They don't know if they're going to be able to help me," said Sweatman, tears welling in her eyes. "I've got to fill out all this"—she waved a lengthy loan-application form—"get all kinds of documents. Then they'll decide."

In the aftermath of Hurricane Hugo, which battered South Carolina with flood tides and 135-mph winds, local officials and residents have harshly criticized federal relief efforts. They said federal authorities misunderstood the extent of the catastrophic damage to lives and property, causing confusion and delays in many stricken areas.

Some criticism of FEMA may have been inevitable, officials and residents indicated, given the tens of thousands made miserable by the storm.

While a nationwide volunteer effort inundated the region with food, clothing and other essentials, some communities waited days for government aid such as power generators, heavy equipment and troops to help clear debris. Staff shortages contributed to huge lines at federal relief centers.

Here in rural Berkeley County, where many people remain without power or running water, the federal disaster center did not open until Sunday morning, 10 days after Hugo roared ashore south of here at Charleston. Some residents have been told that it will be weeks before they receive aid; others are not even aware that they can apply.

"I really had more faith in our government," said Robert Hoffman, mayor of St. Stephen in Berkeley County. "We're in serious trouble if FEMA is going to be the organization in the event of a nuclear war."

The nation's chief emergency planning organization, FEMA is responsible for coordinating federal disaster aid. In natural disasters such as Hurricane Hugo, state emergency planners are to relay specific requests to FEMA, which needs presidential authorization before dispatching help such as troops and equipment. Disaster-relief centers are supposed to provide temporary financial assistance to those without jobs or homes.

Many local officials apparently were unfamiliar with FEMA procedures. "It was several days before we understood what all that rigamarole was," said James Budds, administrative assistant to Charleston Mayor Joseph P. Riley Jr.

[illegible] THE WASHINGTON POST

Harriet [illegible] and children listen as her husband, Richard, speaks [illegible] at [illegible] center [illegible] Corner.

THE WASHINGTON POST
October 4, 1989

Washington Post

Slow Federal Response After Hurricane Hugo Angers Officials in S. Carolina

THE WASHINGTON POST
October 4, 1989

Desperately seeking immediate action, local officials resorted to bureaucratic end runs, appealing directly to Congress for help. Sen. Ernest F. Hollings (D-S.C.), who last week characterized FEMA officials as a "bunch of bureaucratic jackasses," called yesterday for a General Accounting Office probe of how the agency handles disaster relief.

Budds said of FEMA: "You don't put procedure first, you put the needs of the people first. Instead of providing for an emergency situation, where you try to cut through red tape, they create more of it."

FEMA officials said that initial delays were inevitable given Hugo's ferocity and that they acted on local requests as soon as they were received from the state emergency preparedness office.

In Washington today, FEMA officials said Philip May, head of the Atlanta regional office, was with Gov. Carroll A. Campbell Jr. (R) at the state emergency command center in Columbia on the night that Hugo hit. They said May was on the phone with FEMA headquarters at 8 o'clock the next morning, requesting a disaster-aid declaration.

FEMA waived its requirement for a "site assessment" of damage, the officials said, and Grant C. Peterson, an associate director, carried the request to the White House, where President Bush signed it at 10:15 a.m.

Peterson said most localities have disaster coordinators who should have been familiar with FEMA's requirement that aid requests must be made through a governor.

In Charleston, FEMA spokesman Jack Glover said today: "It's not a bureaucratic, red-tape system. There's no paperwork required." He described the federal relief effort as the largest since Hurricane Camille slammed into Gulfport, Miss., in 1969, causing 256 deaths and catastrophic damage.

Glover said, however, that the government cannot dispense money to storm victims without verifying damages. "Everything takes time in one of these things," he said.

Needs were particularly acute in Berkeley County. A rural, low-lying area of pine forests and marshlands, the county took the full force of the hurricane, and many local officials said they felt overlooked in the chaotic days that followed.

"We seem to be able to move more tonnage in 24 hours to foreign countries than we can move in the state in eight days," Berkeley County Supervisor Johnnie Flynn said.

Flynn said that he requested portable generators to power the county's 84 sewage-pumping stations but that, by late last week, he had received only about 40. The shortage caused sewage to overflow into streams and rivers, killing fish and plants, officials said. The county awaits portable toilets at meal sites and food distribution centers.

Berkeley also suffered from a shortage of personnel and heavy equipment. Downed trees and power poles blocked virtually all county roads on the morning after the storm. Officials said that four days passed before 160 National Guard troops arrived in the county and that state officials sent them elsewhere the next morning.

"They said they would start at curfew and work all night, and I got in the next morning and was told they had only worked four hours," Flynn said.

A detachment of 360 Marines arrived here from Camp Lejeune, N.C., later in the day, officials said, but that was not enough to satisfy St. Stephen Mayor Hoffman. "We dug ourselves out of this storm," he said.

Hoffman complained that FEMA has since rejected his plea for help in removing trees downed on private property. Local officials said the agency is concerned about potential lawsuits.

Local officials also questioned delay in establishing Berkeley County's federal disaster-relief center, which is supposed to provide temporary financial assistance to the jobless or homeless. The center is one of eight in the Charleston area, and others are being set up in outlying counties.

Situated in a technical college, the center here is managed by Verne McCloskey, a retired California Highway Patrol officer who, like most FEMA emergency workers, is a reservist called upon in disasters. He was not summoned until last Friday, a week after Hugo passed, and arrived here Saturday after an all-night trip from his home in Oregon.

Although the center was not supposed to open until Sunday, more than 500 people showed up Saturday after an erroneous report on a local radio station. The center was a mob scene Sunday as hundreds stood in the rain. Most were given appointments and told to return later this week.

"It's always that way," McCloskey said. "It's a problem in logistics," he added, saying only 11 registrars—all local schoolteachers—were available the first day at the center.

FEMA officials said that they normally try to open relief centers within four days but that poor communications and blocked roads prevented an early accounting of how much chaos Hugo caused. After several days, Glover said, "We realized . . . this is bigger than we thought."

Many local officials said the government must do more to reach residents of outlying areas, where poverty has compounded human suffering. "Yesterday, we found a 68-year-old man huddled in his home with his roof gone," Hoffman said. "They expect people to jump in their cars and ride down there" to Moncks Corner for help. "A lot of people don't even know what FEMA is."

John Matlock, 63, a retired Navy radarman, lives with his wife in a mobile home about 30 miles from the county seat. A tree limb knocked a hole in his roof and floor. In a concrete-block house next to his trailer, his great-grandson, 5, walked barefoot on a cement floor covered with wet mud.

Asked whether he would apply to FEMA for help in repairing his uninsured trailer, Matlock said, "I haven't heard of them."

Staff writer Bill McAllister in Washington contributed to this report.

EXHIBIT D

President, Agencies Have Wide Latitude...

When President Bush visited earthquake-ravaged California Oct. 20, he assured victims that help was on the way. "I am going to do what is necessary for the federal government to fulfill its obligations under the law," he said.

For Northern California, such words may be of little comfort: disaster laws require the government to do very little. What they do, however, is give the president virtually unlimited power to direct available federal resources to help disaster victims in a broad array of ways — at his discretion.

In a single sentence, the Robert T. Stafford Disaster Relief and Emergency Assistance Act gives Bush more power than he's ever likely to use. "In any major disaster," the law says, "the president may direct any federal agency, with or without reimbursement, to utilize the resources granted to it under federal law . . . in support of state and local assistance efforts."

FEMA Map to Available Programs

Illustrating the expanse of programs available to the administration is a summary published this summer by the Federal Emergency Management Agency (FEMA), which oversees disaster-response efforts.

T [redacted] Many, chiefly those run by FEMA, are specifically designed for disasters. But a variety of regular government programs also are listed as potential sources of aid.

For example, the book includes about 40 programs run by the Departments of Housing and Urban Development (HUD) and Agriculture that make up the large bulk of the government's urban and rural housing efforts. Also listed are several of the federal government's basic welfare, job-training and community-development programs.

Some of the listings reflect provisions in the nation's basic disaster-relief law, which gives disaster areas priority in applying for assistance under several laws authorizing federal aid for housing, public works projects, water pollution control and rural, community and economic development efforts.

The Disaster Relief Act of 1974 (PL 93-288) was expanded and revamped last year by legislation (PL 100-707) streamlining the provision of disaster assistance. (At the same time, it was renamed after former Sen. Stafford, R-Vt.). *(1988 Almanac p. 168)*

The overhaul was just the latest effort to perfect the federal government's response to disasters. Since 1950, when the first basic disaster law was enacted, Congress has rewritten or tinkered with laws a dozen times, often in response to pressure from disaster-stricken areas. Harsh complaints by South Carolina members about FEMA's response to Hurricane Hugo earlier this year indicate that there may be more tinkering to come.

Before 1950, Congress responded to catastrophes with individual relief bills, some dating back to the 19th century. To this day, Congress still reacts to particular calamities with new legislation, as it did with the earthquake and Hurricane Hugo by appropriating close to $4 billion in new disaster aid in two bills. *(Earthquake, p. 2847; Hugo, Weekly Report p. 2538)*

A Range of Disaster Assistance

The president's broad authority notwithstanding, most disaster assistance comes from programs specifically designed to deal with catastrophes, including those listed in the Stafford Act — hurricanes, tornadoes, storms, high water, wind-driven water, tidal waves, tsunamis, earthquakes, volcanic eruptions, landslides, mudslides, snowstorms, drought, fire, flood and explosions.

The scope of available aid ranges from major reconstruction assistance to a slew of smaller benefits.

Among the lesser-known provisions: States can get grants from FEMA to provide mental health counseling to victims. The Internal Revenue Service can help disaster victims file tax returns that reflect losses, in effect helping them search for loopholes to cut their tax bills.

The Bureau of Alcohol, Tobacco and Firearms can help businesses get refunds from the Treasury for so-called sin taxes and customs duties paid on lost or destroyed supplies of cigarettes, rolling papers, liquor, wine and beer. Poor people can get free legal advice. The Federal Bureau of Investigation can help identify fatalities by their fingerprints.

Several major benefits are provided by FEMA from money in its disaster-relief fund, where Congress put the

EXHIBIT E

MILES OF WATERCOURSE

County	Totals	Priority 1	Priority 2	Priority 3	Estimated Cost
Berkeley	511.4	322.5	78.5	110.4	$13,845,500
Calhoun	203.0	17.1	7.9	178.0	$4,270,500
Charleston	152.9	42.5	15.4	95.0	$3,560,000
Chesterfield	10.0	10.0			$300,000
Clarendon	116.0	20.0	52.0	44.0	$2,780,000
Colleton	10.4			10.4	$208,000
Darlington	54.0	14.0	25.0	15.0	$1,345,000
Dorchester	221.5	70.3	34.0	117.2	$5,303,000
Fairfield	3.0		1.0	2.0	$65,000
Florence	8.0	5.0	3.0		$225,000
Georgetown	5.0	5.0			$150,000
Kershaw	5.9	2.1	3.6	0.2	$157,000
Lancaster	19.1	14.0	4.5	0.6	$544,500
Lee	78.0	32.7	18.0	27.3	$1,977,000
Orangeburg	6.0	6.0			$180,000
Richland	6.0		1.0	5.0	$125,000
Sumter	300.0	60.0	120.0	120.0	$7,200,000
Williamsburg	169.0	45.0		124.0	$3,830,000
York	17.6	8.8	6.3	2.5	$471,500
Totals	1896.	675.	370.2	851.6	$46,537,000

Priority I	Immediate or potential hazards to life or property in highly developed areas or along heavily traveled highways.
Priority II	Immediate or potential hazards to life and property in moderately developed areas or along moderately traveled highways.
Priority III	Immediate or potential hazards to life or property in lightly developed areas or rural areas. This could include isolated houses, roads, buildings, farms, and rural roads.

Miles do not include completed contracts

U.S.D.A., Soil Conservation Service
Columbia, S.C.
November 24, 1989

Hurricane Hugo EWP Update
For SCS Employees

U.S. Soil Conservation Service **February 1, 1990**

Phase II Begins

As we enter phase II of the restoration work, there is time to reflect on what has been done and to plan for what lies ahead. Throughout the state many SCSers worked diligently to help our state recover from Hurricane Hugo. Our watercourse cleanup remains a large part of that process.

Phase II will bring a lot of responsibility to the field office staffs because of changes in the contracting and inspection procedure. The requirement contract method will demand constant monitoring of work progress and continual prior planning of work schedules.

The field office staffs will be called on to be inspectors on projects within their counties. These individuals will make decisions on work locations and equipment and labor requirements.

I know all of our personnel are up to the challenges that lie ahead.

Billy Abercrombie
State Conservationist

$12.5 Million Received

On Tuesday, January 30, SCS received $12.5 million dollars to continue the debris removal from primary streams and watercourses.

The funds were awarded from the discretionary fund Congress recently allocated to the President for disaster relief in South Carolina and California.

Assessments indicate there are an additional 1,900 miles of obstructed streams and watercourses in the state. Work will be in the priority I category which is in highly developed areas and along heavily traveled roads.

The funds will only cover part of the work. Approximately $46 million dollars is needed to complete the restoration work in all counties.

Between the months of October and December, SCS spent $3.9 million dollars on 22 projects clearing 200 miles of streams and watercourses in 14 disaster counties.

For Your Information

An EWP follow-up assessment was prepared to produce more accurate cost estimates and watercourse mileage. The updated estimated cost for 1,900 miles is $46,537,000. This follow-up assessment dated November 24, 1989 is shown on the reverse side.

The original assessment dated September 29, 1989 (shown in October 11, 1989 issue of Hugo Happenings) had a projected cost of $99,884,000 for 2,400 miles.

The changes in estimated cost are contributed to the following four factors:

1) a decrease of approximately 300 total miles due to a more well defined area for restoration

2) deletion of the cost of work for dike repairs and dune stabilization

3) estimated cost per mile was lowered based on the actual costs of watercourse debris removal obtained during prior work

4) follow-up assessment does not include the 200 miles of work already completed.

Hurricane Hugo EWP Update
For SCS Employees

U.S. Soil Conservation Service **February 9, 1990**

News Focus To Emphasize Counties

Two disaster counties will be featured each week in the upcoming issues of the EWP Update.

The articles will focus on the human interest side of the debris removal work. How landowners are reacting to the work. What it is like to be a DC with his/her first $300,000 cleanup contract. Government inspectors tell about working with private industry contractors. Stories that will make you laugh and stories from which we all can learn.

Also a progress report will be published to keep you informed of the phase II work. At present, four contacts have been awarded. They are Fairfield and Lancaster Counties, Sumter County, Berkeley County and Dorchester County. Work has started in Sumter and Dorchester.

Before closing the chapter on phase I, below is a project breakdown of the completed contacts and the areas that benefitted from the work.

Project Location	Miles Restored	Structures Benefited	Other Areas Benefitted
Goose Creek	45	4000	3 schools & business district
Moncks Corner	12.9	2100	2 schools & business district
St. Stephens	9	700	2 schools, business district & industry
McClellanville	12.6	350	2 schools
Isle of Palms	3	1000	business district & golf course
Manning/Summerton	7.5	600	3 schools, 2 shopping centers & 2 churches
Darlington	3.5	350	3 schools, technical school & park
Summerville	12	1432	school, church, park & business district
Summerville	22	1600	3 schools, football field & park
Summerville	15	1050	school
Florence	2	500	park & riprap road crossing
Camden	6.3	200	2 schools, park & hospital
Lancaster	8.5	400	2 schools
Bishopville	6.3	543	2 schools, 100 apartments & business dist.
Holly Hill/Elloree	12.2	420	3 schools & park
Sumter	5	740	school & 2 dams
Pinewood	4	600	school
Greeleyville	2.6	100	school & business district
Hemingway	3.1	400	school & business district
N. Charleston /Hanahan	5.2	2000	3 schools, business dis., & fuel storage farm
Murrells Inlet/N. Litchfield	2	500	marsh inlets
Colleton	1.6	95	major road crossings
Isle of Palms	7.0	1300	major storm drains
Totals	208	20,980	

At the request of 20 county governments, the Soil Conservation Service (SCS) in cooperation with local soil and water conservation districts made an assessment of HUGO damaged watercourses. An on-site inventory was conducted by SCS field and state office personnel.

The initial and follow-up assessment revealed extensive watercourse blockages in 19 counties with fallen trees and debris from the wide spread destruction of woodlands, homesites, commercial, and other properties. SCS Personnel completed damage assessment and located watercourse reaches on maps and aerial photos. There were 2,176 miles of watercourse identified. The reaches were assigned a priority based on threat to life or property.

As of January 31, 1990, SCS has completed the restoration of 210 miles of watercourses in 13 counties at a cost of $3,900,000. However, 1,966 miles of watercourses still require debris removal to eliminate the threat to life and property. The estimated cost is $48,967,000.

SCS, working with the South Carolina Coastal Council and the Governor's Office, will assist with 68 miles of dune stabilization. Approximately $1,000,000 of SCS funds will be utilized in this effort.

The Soil Conservation Service has requests from the South Carolina Wildlife and Marine Resources Commission, South Carolina Water Resources Commission, and individuals to remove blockages from larger navigable streams and rivers that was not included in previous assessments. This work may cost approximately $500,000.

Presently SCS has 20 Emergency Watershed contracts in 19 counties. The following is a breakdown of funds received and funds committed by SCS:

Funds Received		Funds Committed	
10/24/89	$ 3,900,000.00	Debris Removal (Watercourses)	$15,494,000.00
01/29/90	12,594,000.00	Dune Stabilization	1,000,000.00
TOTAL	$16,494,000.00	TOTAL	$16,494,000.00

Estimated additional funds needed to complete all the requested work is $37,000,000

March 14, 1990

Page six-A-THE HANAHAN NEWS-Wednesday, October 18, 1989

Soil Conservation Service removing debris from streams

The U.S. Soil Conservation Service has received emergency funds to perform restoration work to eliminate flooding caused by Hurricane Hugo and to prevent loss of lives and property.

At a site showing in Summerville, contractors were offered the opportunity to bid on work to be performed in Berkeley, Charleston and Dorchester Counties. Bids were opened, and work has already begun.

"We will be removing debris and trees that are obstructing primary streams and watercourses and causing water to stand," said Billy Abercrombie, state conservationist for SCS in Columbia.

"With additional rain, this debris will cause additional overflow and result in dangerous flooding of bridges, roads and other facilities. The standing water also creates a health hazard, causing septic systems to fail and mosquitoes to breed."

There are about 900 miles of primary streams to be restored in the three counties, Abercrombia said. After Hurricane Hugo hit, SCS damage assessment teams assisted local officials in surveying 20 storm-damaged counties. The assessment to date shows that 500 miles of stream restoration is to be in Berkeley County.

The Soil Conservation Service has formed a natural disaster restoration team to oversee the work in the respective counties. A special project office has been established in the Bilton Building, 140 North Main Street in Summerville.

County Councils and County Soil and Water Conservation District are the project sponsors. "Because of the need for prompt action to remove this debris, County Councils have passed ordinances allowing SCS and construction personnel access to private property to perform the work," Abercrombie said.

"We will make every effort not to cause any disruption or inconvenience to landowners. We are here to help the community recover from the effects of this devastating storm," he added.

The first contracts are expected to be complete in about four weeks. Additional contracts will continue to be let based on priorities established by local sponsors. Landowners in affected areas will be notified of work to be performed on their property, according to Abercrombie.

Goose Creek area

According to Charles Glover of the Berkeley County Soil Conservation Service, a contract was let last week to Island Dirt of St. George to work in the Goose Creek area picking up debris. The company already has a drag line and other equipment at the Linley Branch area on Highway 52 near the Goose Creek Post Office. "This contract was for over $200,000 and is on an equipment rental basis," said Glover.

"When the workers go into subdivisions, that will require a lot more hand work," he said.

"As more money becomes available, additional contracts will be awarded," he added.

FEEL BAD?

[illegible] 10-11-89

Berkeley County to receive funds to prevent flooding

By **Mary Bailey**
Independent Associate Editor

Berkeley County's office of the U. S. Soil Conservation Service (SCS) is to receive several million dollars in emergency funding to clear the county's waterways and drainage ditches of debris left in the wake of Hurricane Hugo, according to Charlie Glover, District Conservationist out of the county SCS office.

The first contracts were let last Friday to begin the work as early as Monday of removing any debris and trees which are obstructing some of the county's primary ditches and streams. The debris and fallen trees could cause serious flooding of bridges, roadways, and other areas, and could cause serious health problems if the water is allowed to stand. The standing water could create health hazards by causing septic systems to fail and mosquitoes to breed, Glover said.

"With over 500 miles of streams and drainage ditches needing to be cleared of the debris left by Hurricane Hugo," Glover said, "Berkeley County has the largest percentage of work needing to be done. The first contracts have already been let and the work is scheduled to begin Monday in the Goose Creek area, one of the areas highest in concentration of population.

"Berkeley County Council has passed an emergency ordinance which will allow contractors and SCS technical assistants access to private property within the limits necessary to remove trees and other debris obstructing drainage ditches and watercourses. The Soil Conservation Service will attempt to contact those landowners where the work is to done before any of this activity dertaken on their property. we know this work is a v to those landowners and to their neighbors, we will attempt to minimize any disruption or inconvenience this work might cause," he said. "Anyone with any questions or problems should call me at 761-8339."

The State SCS office sought the emergency funding under the Federal Emergency Watershed Protection Act after several County Councils, including Berkeley County Council, and county SCS officials asked for assistance in removing the clogging debris. The State SCS sent damage assessment teams out into at least 20 storm damaged counties to assist local officials in surveying those counties for damages to its streams. They found Berkeley, Charleston, and Dorchester counties were the hardest hit by the storm and the ones with the most problems with clogged ditches and streams.

The Emergency Watershed Protection Act authorizes the SCS to provide financial and technical assistance to eliminate or reduce hazards to life and property as the result of a natural disaster. It also authorizes such protective measures as opening watercourses, repairing diversions, dikes, or jetties, stabilizing streambanks, and protecting roads and other facilities.

"The first contracts are expected to be complete in about four weeks," Glover said. "Additional contracts will be let based on priorities set by our office and County Council, these projects sponsors. We will be sure to notify those landlords affected of any work to be performed on their property before it's begun. We hope to eliminate any possible flooding caused by the hazardous debris left by Hurricane Hugo through these projects to prevent further loss of lives and property in Berkeley County."

emergency funds received

SCS responds to Hugo disaster

The U.S. Soil Conservation Service has received emergency funds to perform restoration work to eliminate flooding caused by Hurricane Hugo and to prevent loss of lives and property.

At a site showing in Summerville Thursday, contractors were offered the opportunity to bid on work to be performed in Berkeley, Charleston and Dorchester Counties. Bids were opened Friday, and work will begin the first of the week.

"We will be removing debris and trees that are obstructing primary streams and watercourses and causing water to stand," said Billy Abercrombie, state conservationist for SCS in Columbia.

"With additional rain, this debris will cause additional overflow and result in dangerous flooding of bridges, roads and other facilities. The standing water also creates a health hazard, causing septic systems to fail and mosquitoes to breed."

There are about 900 miles of primary streams to be restored in the three counties, Abercrombie said. After Hurricane Hugo hit, SCS damage assessment teams assisted local officials in surveying 20 storm-damaged counties.

"We received requests for assistance from county councils and local Soil and Water Conservation Districts," Abercrombie said. "We immediately requested funds under the Emergency Watershed Protection Act. Because these three counties were among the hardest hit, we are starting here first."

The act authorizes SCS to provide financial and technical assistance to eliminate or reduce hazards to life and property as the result of a natural disaster.

The law authorizes such protective measures as opening watercourses, repairing diversions, dikes or jetties, stabilising streambanks and protecting roads and other facilities.

The Soil Conservation Service has formed a natural disaster restoration team to oversee the work in the respective counties. A special project office has been established in the Bilton Building, 140 North Main Street in Summerville.

County Councils and County Soil and Water Conservation District are the project sponsors. SCS will provide financial and technical assistance, working closely with the contractors to insure the work conforms to specifications.

"Because of the need for prompt action to remove this debris, County Councils have passed ordinances allowing SCS and construction personnel access to private property to perform the work," Abercrombie said.

"We will make every effort not to cause any disruption or incovenience to landowners. We are here to help the community recover from the effects of this devastating storm."

The first contracts are expected to be complete in about four weeks. Additional contracts will continue to be let based on priorities established by local sponsors. Landowners in affected areas will be notified of work to be performed on their property.

Page 12B Wednesday, April 4, 1990 *The Summerville Journal-Scene*

Recent rainfall adds to hurricane problems

Recent rainfall has brought a new problem resulting from Hurricane Hugo -- flooding.

Downed timber, branches and other debris in channels and ditches is hindering the normal water flow in areas hit by Hugo, says Charles Glover of the Soil Conservation Service in Berkeley County.

"It's especially bothersome in the lowcountry. The water table here is naturally high," says Glover, "and because the land is so flat, a one foot blockage could back up the water flow on several acres."

Landowners should clean as much debris as possible from ditches and channels, advises James Yonce, Clemson University Extension Service director in Berkeley. "When we start getting heavy rains, we'll see a lot of water underneath houses, water logged yards and fields too soggy to cultivate," says Yonce.

Bob Hortman, manager of Medway Plantation in Berkeley County, is concerned that rains will flood the land, making it impossible for loggers to continue harvesting storm-damaged timber.

"We've been fortunate that the weather has held out," said Hortman. "If we get heavy rains they will wash out our roads. Last week we had a half inch of rain and we had to shut down the logging operations for three days."

To keep water off the logging roads, Hortman said crews have worked to clear ditches along the roadsides in the 8,000-acre plantation.

"We can't get to the main drainage ditches. They are so remote and the woods are so tangled," he said. "The county has crews cleaning main drainways, but it is a slow process because most of it has to be done by hand."

Some money has been appropriated by Soil Conservation Service to clear main drainage ways, Glover said. Any debris remaining in roadside ditches should be reported to county maintenance offices.

"If we don't clean these passages so water can move, it could create permanent problems," he said. "When the pine straw and treetops decay, they will cause long-term blockage."

Drainage problems also could lead to health problems, he said. "When land is flooded, septic tanks can't operate properly."

EXHIBIT F

Karen/
FAX ✓

State of South Carolina
Office of the Governor

CARROLL A. CAMPBELL, JR.
GOVERNOR

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

Faxed info 4/10/90

April 6, 1990

RECEIVED
APR 20 1990
LEGAL DEPARTMENT

Mr. Johnnie T. Flynn
Berkeley County
223 North Live Oak
Moncks Corner, South Carolina 29461

RE: #015-00000

Dear Mr. Flynn:

Per my conversation with Mr. Jim White on April 2, 1990, regarding detailed documentation for your Mosquito Abatement Program for 1988, we have not received this information as of April 6, 1990. Please Fax the detailed breakdown of your 1988 abatement program as soon as possible. Please make sure that the spraying functions are broken out.

FEMA has denied our request, but with your written concurrence (along with the requested information), we will continue to pursue this matter.

FEMA has determined that mosquito abatement is a long-term problem and, as such, is not eligible. The State feels that under the definition of an immediate threat in 44 CFR 206.221 (a) (c) that a portion of these expenses should be eligible.

Please call Steve Parks at 734-8889 ✓ if you have any questions.

Sincerely,

Bob Cates/dh

Bob Cates
Governor's Authorized Representative

BC/SP/bpc

Trident Health District
South Carolina Department Of Health And Environmental Control

Joe Carroll Chambers, M.D., M.P.H.
District Medical Director

334 Calhoun Street
Charleston, S.C. 29401

April 16, 1990

MEMO

TO: Steve Parks, Governor's Office

FROM: Jim White

RE: Cost figures for Berkeley Co. Mosquito Control

BERKELEY COUNTY MOSQUITO CONTROL
Expenses for FY 88-89 ending 6/30/89

Salaries & Wages	$41,224.01
FICA	3,254.98
Retirement	1,899.43
Hospital Insurance	2,534.40
Workman's Comp.	2,243.00
Total Personnel	$51,155.82
Printing & Office supplies	460.63
Other operating	1,310.10
Postage	52.00
Gas & oil	4,463.81
Tires	313.26
Auto repairs	3,679.90
Utilities	426.55
Telephone	3,773.54
Equipment repairs	826.44
Uniforms	284.64
Cleaning supplies	293.40
Chemicals (Mosq. Control)	33,739.03
Insurance & Bonds	4,313.84
Employee training	866.37
Total operating	$54,803.51

Dorchester County Division
201 Gavin Street
St. George, S.C. 29477
563-2331 · 821-1624

Charleston County Division
334 Calhoun Street
Charleston, S.C. 29401-1188
724-5800

Berkeley County Division
109 West Main Street
Moncks Corner, S.C. 29461
761-8090

Memo
Page two (cont)
Mosquito Control figures

Capital outlay - Auto equipment	75.00
Capital outlay - Machines	287.60
Capital Outlay - improvements	382.07
Total capital outlay	$ 744.67
Total expenses	$106,704.00
Spraying only - Chemicals	$29,508.00
Gasoline	1,408.40
Labor	8809.50
Total	$39,725.90

Proposed budget for FY 90-91 based on increased needs due to Hugo - spraying only

Chemicals	$125,000.00	(includes 70,000.00-aerial spr
Gasoline	2,000.00	
Labor	33,600.00	*
Aerial Contractor	70,000.00	(140,000 Ac.)
	$230,600.00	

NOTE: Do not routinely use aerial spraying only time since 1980 was in 1980. DHEC paid for on emergency basis.

** 6 Trucks x 40 hrs. x 28 wks.x $5.00

Killer bees? How about killer mosquitoes this summer?

You've probably heard about killer bees, swarms of stinging, strafing kamikaze insects which have been predicted to cross the U. S. border from Central America. Well, you can forget about them—at least for now.

That's because thanks to Hurricane Hugo's devastation to Lowcountry timberlands, potholes left by uprooted trees have created the perfect breeding ground for 50 species of mosquitoes.

Although Santee Cooper spends approximately $390,000 annually on mosquito abatement, it may not be enough to control the millions, perhaps billions of bloodthirsty creatures currently coming to life with each passing springtime day.

"We think we're going to have a 100% increase in the mosquito population over last year," said Howard Roach, administrator of Environmental Resources. Roach said the mosquitoes breeding in these potholes or pools could make life difficult for those residing in Santee Cooper's 51 subdivisions located around Lakes Marion and Moultrie.

Roach also said Santee Cooper has already sprayed for mosquitoes this year. But more help is needed for Roach and the 11 employees of the "SWAT TEAM," supervised by Ron Ulrichsen. That's why Santee Cooper has applied to the Federal Emergency Management Agency in Washington for a one-time $303,000 grant to battle mosquitoes.

The chance of securing the grant appears slim. Charleston County's March 14 request for $276,000 annually over a three-year period has already been turned down. But in the meantime, Roach said, everyone can take measures now to help control mosquitoes from easily breeding in standing water by: dumping old tires, picking up cans, bottles and jars, keeping water out of boat wells and making sure rain gutters are clear of leaves, twigs and other debris.

Applications sought for South Carolina Press Association Scholarships

Applications are now being sought for three S. C. Press Association scholarships for students pursuing a career in any area of daily or non-daily newspaper work. The scholarships are for up to $2,000 a year.

"These scholarships show the newspaper industry's commitment to help bring top- Rogers, association executive director.

Rogers also noted the deadline for applying for the scholarships is June 1.

The scholarships are provided through contributions from *The Berkeley Independent*, other South Carolina newspapers and interested individuals to the R.

Students must agree to work in the newspaper industry for two years after graduation. If graduates do not work in newspaper journalism, they must repay the scholarships to the Mundy Foundation.

To be eligible, students must be entering their junior year next fall at any four-year South Carolina college or university.

members and grades. Financial need is also a factor in awarding the scholarships.

The foundation is named for the late publisher of the Greenwood Index-Journal, who was the first president of the Press Association's Educational Foundation.

For applications, write:

ATTENT
Secr
A
In taki
(Includ
kind se
•gift ba
•balloo
Orde
Piggly Wiggly S

Air Conditioning
SERVICE
Lonzi
After ho
HEAT, AIR CON
SER
COMPLETE DUCT W
Hot Water
LONZIE FAIRCLOTH
A. FRANK ALLEN

EXHIBIT G

One of our newest staff members, who had the opportunity to work with the SBA over the past few months, shared the following comments with me:

Overall, I feel that the SBA eventually benefitted a fairly large group of S.C. citizens. The majority of the staff members were dedicated and diligent, yet lacked the necessary training and guidance to perform adequately. The staff consisted of local hires and hires from the Atlanta area. The employees from Atlanta were paid salary, overtime, per diem and assigned rental cars. The staff was located in Charleston for at least a five month period.

The most common complaints I heard from citizens were: excessive paperwork, excessive length of processing time, dealing directly with an unsympathetic staff in Atlanta, and outdated property damage estimates.

The main problem I perceived was a lack of well trained permanent staff members. The SBA maintains a small core permanent staff and hires after a disaster occurs. There were few employees who were familiar enough with the system to lend guidance to new employees. The most difficult part of my job was attempting to deal by phone with a staff in Atlanta who were far removed from the disaster. The majority of the staff in Atlanta also lacked adequate training and were often frustrated with the system themselves. They seemed to be overworked because they were focusing on several disasters at one time. They also seemed to be preoccupied with the fact they could be laid off or transferred at any time. Additionally, Atlanta's switchboard system was totally inadequate and at times it took several hours to reach an Atlanta staff member.

One factor that contributed to the lack of a well-trained staff was the inability of the SBA Administration to follow consistent policies. The policies were constantly changing and they were not grandfathered to ensure a smooth transition. These constant changes led to employee frustration and unequal treatment of loan recipients.

Another contributing factor was a grave lack of communication between the various departments. For example, the verifiers/estimators were unfamiliar with the final loan categories for which a recipient might be eligible. There were few employees who were familiar with the entire system and aware of interdepartmental workings.

From my point of view, it seems it would be more efficient to have an elite well-trained staff that could be dispatched as soon as a disaster is imminent. This staff should be responsible for setting up the system so that processing can begin shortly after a disaster occurs. This staff should also be responsible for the training of the new employees hired specifically for a disaster.

In sum, I feel that the SBA serves a functional purpose and does provide long-term aid. However, when a family loses the majority of their possessions, short-term aid with minimal paperwork is the answer. Better training methods, less paperwork, adequate inter-departmental communication, and consistent policies will increase the efficiency of the SBA.

Evaluation of FEMA's Performance in Responding to Hurricane Hugo in N.C.

Testimony of

Gerald G. Fox
County Manager
Mecklenburg County (Charlotte), N.C.

Mecklenburg County/Charlotte has had a relatively long history of extensive planning and exercising for man-made/natural disasters. I have been the County Manager in Mecklenburg for ten (10) years. This county and city began extensive preparations of emergency response plans for a nuclear power plant in 1980 and completed plans in late 1981. Another similar plan involving this county and other counties in two states was completed in 1985. We have two nuclear power plants located about 12 miles in opposite directions from the center of uptown Charlotte. Successful exercises have been held on both these plans, one each year. Changes and enhancements have been added as a result of these exercises.

Several separate emergency preparedness plans were combined into an "All Hazards Plan" in the late 1980's. Periodic exercises have also been held on the All Hazards Plan. The local Emergency Preparedness Office has been a combined city/county department/division for many years providing for a coordinated and non-duplicative approach. Therefore, we think that we had the necessary tools to appropriately address disasters as of September 22, 1989.

Charlotte/Mecklenburg's local response was coordinated through our Emergency Operations Center (EOC), with an Assistant City Manager, Assistant County Manager and Emergency Management Director in Charge.

The City Council and County Commission deliberated policy issues, i.e., states of emergency appropriations, waiving of regulatory policies; curfew; price gorging; etc.; while the City and County Managers coordinated the provision of normal day-to-day services. Electricity was out for nearly the entire 500,000 person community. Streets were blocked. There was extensive property damage. Only few injuries and one death caused by the sustained 70-90 MPH winds. Clearing of streets to provide emergency and normal access; property security and functioning without electrical power; damage assessment; and public information were the early orders of the day.

State FEMA officials responded almost immediately and became an integral part of our response team. A "one stop" disaster applications center was established within days of the hurricane. It was manned jointly by local, state and federal agencies. Early agreements were reached on the documentation necessary for disaster assistance reimbursements. In-house response and private contracts were awarded and implemented under these guidelines by both city and county. A citizens originated response was created through the "Hugo Citizens Task Force" which primarily addressed issues involving those citizens who were falling through the cracks on such things as property clean-up, food and shelter assistance, etc. The Task Force also initiated, and is in the final preparation stage, to submit a "lessons learned" report to city/county governments.

With this background, I will now address the five (5) issues raised by the Committee for response during these hearings. These responses have been prepared primarily by our Emergency Management Division; other city, county and state officials; and a consultant employed by Mecklenburg County. One perspective that I should mention is that Charlotte/Mecklenburg had little need for temporary housing relocation assistance as our primary damage was site and not improvement related.

I. First Response Capability; Adequacy, Timeliness and Appropriateness

- FEMA officials began making preparations to assist N.C. prior to N.C. even being hit by Hugo.
- When we requested FEMA's presence in our Emergency Operations Center (E.O.C.), they arrived immediately.
- FEMA, Region IV N.C. Liaison was in contact with our E.O.C. prior to Hugo's arrival and remained in contact throughout the initial response phase.
- Hugo struck Friday morning (September 22) and the Liaison arrived Saturday, September 23.
- During the next 3 days FEMA officials were instrumental in assisting us with the damage assessment necessary to obtain a Presidential Disaster Declaration.
- The PDD was granted on September 25 and in less than 10 days the Disaster Field Office (DFO) was officially opened.
- This timely response was as much a result of FEMA's ability to deal with a disaster of this magnitude as it was the increased preparedness of this State's own Emergency Management Program.
- FEMA did especially well considering the staffing shortages that resulted from: 1) Magnitude of Hugo (N.C. & S.C.) and

2) the other disasters that occurred around this time (tornadoes and flooding in Atlanta and Georgia, the earthquake in California).

- Staffing shortages could be alleviated by utilizing Emergency Management staff from unaffected areas.
- With regard to recovery programs, we've noted no significant problems with inadequate FEMA "Authorities". However, during the emergency phase there is no specific authority to perform overall coordination.

II. Strengths and weaknesses in its role as a Federal Disaster assistance provider and manager.

- Due to increased demand for disaster assistance resulting from the increase in disasters and their magnitude in Region IV, staffing problems have been identified as the major weakness. Suggestions for alleviating this include using Emergency Management staff from unaffected areas.

- A second concern is Individual Assistance Applications. This voluminous and time consuming task could be made more efficient by utilizing electronic entry of these applications when applicants first arrive in Disaster Application Centers. Further, the State's administration of the Individual & Family Grant Program would be enhanced if the State's computers were tied directly to FEMA and SBA.

- Need for a FEMA Director to be appointed for overall coordination. This would help realize the goal to be "the focal point for all levels of government in developing a national emergency management capability that can deal effectively with any major emergency".

- FEMA should become more proactive during and prior to the initial emergency response.

- Need to develop plan that would: 1) identify available resources at State, Local and Federal levels; 2) establishment of effective procedures for acquiring and utilizing these resources.

Strengths

- Disaster field office established promptly.

- Experienced Inspectors and Public Assistance Officer available.

- Been helpful in completing applications and DSR's.

- Been able to handle and balance demands of N.C. applicants.
- Put experienced disaster managers on the ground immediately.
- Worked through (not around) local problems and idiosyncrasies.
- Creative solution orientation.

III. Coordination of the activities of other governmental and non-profit relief organizations.

- Immediate needs of disaster victims, usually met by Red Cross could be more effectively met if FEMA were to coordinate its program with those of the Red Cross.
- Integrated computer systems for Individual Assistance Applications. Tie State computers directly to FEMA and SBA. This would reduce duplication.
- Interaction between FEMA Public Assistance staff in N.C. and S.C. provide a large degree of consistency in administration of programs within FEMA Region IV.
- Since FEMA was hit with several disasters at the same time, the State agencies were relied upon greatly to provide disaster assistance. Considering the effectiveness of these agencies, FEMA should consider allowing State more authority in responsibility in administering these programs.
- DFO staff meeting were very helpful in exchanging information between agencies.
- Federal/State coordination or activities was adequate enough to get the job done, but a lack of mutual trust hampered the effort.
- In addition, planning strategies must be conducted jointly to prevent delaying implementation of program specifics.

IV. Adequacy of Federal and State disaster preparedness programs.

- Programs should be more pro-active during and prior to initial response. FEMA should try to anticipate needs that will likely be beyond State/Local capability and begin identifying available resources.

- Hurricane preparedness efforts through FEMA, N.C., Corps of Engineers sponsored Eastern N.C. Hurricane Evacuation Study. Was determined to be adequate. However, more Federal (FEMA) operational response plans, similar to those for earthquake would be beneficial.

- The PDA (Preliminary Damage Assessment) process was well organized, but the continuation of simultaneous projects (PDA and DFO) caused shortages on resources.

- Need for specific procedures to deal with simultaneous disasters.

- Also need specific procedures to deal with technological disasters (nuclear accident covering large area, oil spill)

- Individual "Immediate" needs must be met in a more efficient manner. American Red Cross does very well here but could be assisted by FEMA.

V. Changes in FEMA's performance and capability since enactment of the Stafford Act.

- FEMA has been very professional and capable in Region IV.

- Since the Stafford Act, FEMA has been given more flexibility in administering Disaster Assistance Programs. This has resulted in less red tape and paper work and ultimately a more expeditious and effective settlement of disaster assistance claims.

- However, lack of adequate staffing levels has prevented FEMA from realizing it's full potential.

- One main reason for the shortage of resources in Region IV is the number and magnitude of the disasters that have hit Region IV.

- Staffer Act allowed FEMA to come closer to meeting the goal "Provide Maximum Assistance in Disaster Recovery".

- Act allows FEMA to more adequately recognize and fund nearly the full costs of disaster response and recovery.

- Act give FEMA the ability to advance the full Federal share on small ($35,000 or less) projects and 80% on large projects.

- Act could go further by: 1) increasing advances on large projects to 90% and 2) Give FEMA the authorization to expand cross-training of other Federal or State employees to increase pool of experienced inspectors.

It is now seven (7) months after Hugo and where does Charlotte/Mecklenburg stand on its response and on its relationship with FEMA.

- Recovery efforts are nearly complete for property clean-up and debris collection.
- Debris disposal efforts will continue until fall.
- Federal and state reimbursements for authorized disaster operation have been promptly processed.
- "Lessons learned" will be prepared by June and then, where appropriate, incorporated into our disaster response plans. These will also be shared with state and federal officials.
- Life for several months has been back to normal.

As a personal note, Hugo has been my second "opportunity" to be the local government chief executive in a city/county which experienced a major natural disaster. I was the City Manager in Wichita Falls, Texas in April, 1979 when a massive tornado destroyed 5,000 dwelling units; killed nearly fifty (50); injured several hundred; displaced 10,000 people; and caused several hundreds of millions in damage. In both instances, although not without some relationship traumas, FEMA and state emergency management officials have been responsive partners in these two disaster assistance efforts.

Testimony of Supervisor Fred Keeley
Chair, CSAC Earthquake Relief Legislative Task Force

At 5:04 p.m. on October 17, 1989, the Loma Prieta Earthquake struck northern California with a deadly force of 7.1 on the Richter Scale. The epicenter erupted in Nisene Marks State Park, near the small town of Aptos in Santa Cruz County. Within the first ten days after the initial earthquake, the United States Geological Survey recorded more than 4,000 aftershocks, including 20 with a magnitude of 4.0 or more, and two greater than 5.0 on the same scale.

On October 18, 1989, President Bush declared a major disaster in ten of the hardest hit Counties. Immediately thereafter, the Congress and the Governor of California and the California Legislature took swift action to authorize extraordinary funding for the emergency needs of earthquake victims and the initial recovery recovery began.

In record time, Congress appropriated $3.45 billion for Federal disaster relief for the Loma Prieta Earthquake and the Hugo Hurricane. To help finance the Sate and local share of disaster costs, a temporary, thirteen month, quarter cent sales tax was initiated in December 1989.

All of this initial relief and action was in response to a natural disaster which, in fifteen seconds, caused at least 62 deaths, 3,258 serious injuries, and displaced more than 13,224 individuals from their homes. In my Supervisorial district alone, more than 100 homes were totally destroyed. While the television cameras captured the drama of the Bay Bridge collapse, and the failure of the second deck of the I-880 Freeway onto the first deck, there were thousands of less publicized, but equally dramatic individual tragedies in communities from Watsonville to Oakland, from Hollister to San Mateo.

Amongst the horror and devastation, the good news was that, to a great extent, emergency response was excellent, mutual aid agreements with other California jurisdictions seemed to work well and quickly, and both public and private relief efforts were in place quickly. The initial response to the disaster was, on the whole, quite good.

However, as the scope of the disaster began to unfold, as the depth of the needs began to toll, the response became very uneven. To give you a sense of scale, the Governor of California's Department of Finance says, "In the nine Presidentially-declared disasters in California preceding this earthquake, the estimated total damage was $1.5 billion. The estimated damage from the Loma Prieta earthquake is in excess of $5 billion."

As it became clear that, for example, the City of Watsonville had lost more than 8% of that city's total housing stock, the Federal emergency housing response was proven inadequate.

When it became clear that more than 7,600 persons who had been living in Single Room Occupancy (SRO) hotels, most of which were unreinforced masonry buildings, would now need housing, the Federal emergency shelter programs were proven inadequate.

When the data began pouring in regarding the hundreds of small businesses which had suffered major damage, it became clear that the $500,000 cap on Small Business Administration loans had been proven inadequate.

When the facts were seen regarding the thousands of homeowners who had major structural damage to their homes, it was obvious that the $100,000 cap on SBA homeowner loans had been proven inadequate.

The real question in California became, "Will the Federal and State governments do what it takes to assist northern California in recovering from the disaster?"

The answer came from the President of the United States and the Governor of California. They each toured the disaster area and said they would take the necessary actions to assist the disaster victims.

We, in local government took them seriously. We also took them seriously when they said that if we wanted more than had been allocated in those initial days following the earthquake, we would have to prove that the need exceeded the resources. Based on that challenge, the California Supervisors Association of California formed the CSAC Earthquake Relief Legislative Task Force. Our task was to inventory on a city by city, county by county, issue by issue basis, the unmet needs which were directly related to the Loma Prieta earthquake. We set about that task and the result in the two hundred page report which I have provided to the Committee.

The report sets forth in detail the $2.9 billion in unmet needs, ranging from emergency shelter and long-term replacement affordable housing, to disaster related social services and sudden and severe economic dislocation grants.

While the report speaks for itself, and while it is much too long to present in its entirety to the Committee, I would like to take a few minutes to provide you with an overview of our findings as they relate to the Federal response to the Loma Prieta earthquake.

Perhaps the most significant impact of the Loma Prieta earthquake was the extensive and widespread loss of affordable housing stock. The shocks and aftershocks of the quake wreaked havoc on very low and low income housing units. As a direct result of this massive loss of affordable housing stock, thousands of people are now faced with the very real prospect of episodic periods of homelessness. However, now more than ever before, sufficient affordable housing is not immediately available. The present unmet need for temporary and transitional housing and short-term shelter alone exceeds $46.6 million. In addition, due to the seriousness of the damages suffered and the number of units demolished, the need for additional replacement affordable housing has also intensified to crisis proportions. Furthermore, given that the most extensive damage to low and moderate income housing occurred in areas with known shortage of affordable housing prior to the earthquake, there is no reserve capacity available to permanently absorb the displaced low income disaster victims. Consequently, additional affordable housing must be built as a direct result of the housing stock destroyed by the earthquake. To date, more than $342 million is needed in six Counties who reported needs in this category to stimulate the immediate construction of replacement affordable housing.

Regarding emergency shelter, the CSAC Task Force makes nine recommendations for Federal action, and seven recommendations for State action. I will not read the entire list, but will refer you to the full report, but I will highlight a few of the major actions we hope you will consider:

1. Seek additional Federal funding for the remaining unmet emergency shelter and temporary housing needs of earthquake victims in Alameda, Monterey, San Francisco and Santa Cruz Counties.

2. Revise the FEMA provisions to extend the length of time funding is available for emergency shelter and temporary housing assistance to allow sufficient time (18-60 months) to restore damaged housing units for displaced earthquake victims.

3. Revise the FEMA provisions to allow Counties to enter into long-term (18-60 months) lease and /or purchase agreements with private owners of facilities needed for emergency shelter and temporary housing.

4. Revise the FEMA Temporary Housing Assistance eligibility requirements to authorize assistance for displaced disaster victims residing in housing units for less than 30 days prior to a disaster, or who were living in a shared housing situation with one or more other unrelated individuals prior to the disaster.

Before moving on to another unmet need, I would like to take a moment and mention another element of the emergency shelter program which did not work well.

As Committee members know, following the declaration of a major disaster the Robert T. Stafford Disaster Relief and Emergency Assistance Act authorized FEMA to provide essential assistance for mass care and shelter needs,m as well as temporary housing assistance for displaced disaster victims. However, as a result of the Loma Prieta earthquake, FEMA denied disaster relief assistance to low income earthquake victims who shared housing or were renting residential hotel units for less than thirty days before the earthquake. Litigation followed, and FEMA has stipulated to certain eligibility changes. While this Federal deferral is helpful, it does raise the question of why litigation was necessary, and why the Stafford Act is not being implemented without the need for litigation.

The second major area where the Federal disaster relief effort appears to need serious Congressional and Administration attention is the hazard mitigation program.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 established a new 50% Federal/ 50% local/State cost sharing grant program, for the design and construction of hazard mitigation measures identified subsequent to a presidentially declared disaster. The intent of the program is to assist local and State governments in the design and implementation of programs and facilities that will reduce the likelihood and extent of future loss of life and property caused by disaster conditions. Federal participation for the program is capped at 10% of the total dollar estimates for all of the Disaster Survey Reports submitted following a disaster declaration. The estimated cap for the 50% Federal participation in hazard mitigation projects as a result of the October 17, 1989 earthquake is projected at $40 million. The program is administered by the State based on a competitive grant application process. The ability of local governments to implement necessary precautionary measures to prevent and reduce the loss of life and property in future disasters will greatly depend on the amount of funds available for badly needed hazard mitigation projects. Obviously, disaster struck local jurisdictions will have little ability to fund the 50% local match requirements for preventative hazard mitigation projects due to:

1. The extraordinary expenditures of unbudgeted funds for emergency responses to the disaster;

2. The ongoing disaster caused revenue losses; and,

3. The continuing pressing needs for long-term recovery and reconstruction of disaster damaged facilities.

Therefore, the majority of projects intended to protect life and property, such as the relocation of a centralized emergency communications facility out of an identified soils liquefaction zone, the seismic strengthening of sanitation facilities, and the elimination of threats posed by falling asbestos during an earthquake, will not be constructed unless State funding for the 50% local share requirement is provided, and additional Federal and State funds are allocated beyond the projected current program level.

The recommendation of the CSAC Earthquake Relief Legislative Task Force concerning hazard mitigation is for the cap to be raised to more accurately reflect need, rather than retaining the artificially low 10% of Disaster Survey Reports limit now in place.

To date, many of the most essential earthquake related social services have been declared ineligible for either State or Federal reimbursement. Therefore, sufficient Federal funds should be authorized to cover both the additional costs of earthquake related social services provided thus far, as well as the extraordinary costs of ongoing social services required in response to the continuing unmet needs of dislocated and disadvantaged earthquake victims.

The Counties of Alameda, Monterey, San Francisco, and Santa Cruz experienced the greatest demand for earthquake related social services primarily due to the large numbers of damaged or destroyed very low income housing units, single room occupancy hotels and mobile homes. In Alameda County along, the loss of approximately 1,000 rooms in ten single room occupancy hotels in the City of Oakland has left as many as 2,500 people with no viable housing option but the street. San Francisco lost more than 700 units of very low-income residential hotel rooms, including more than 250 units that were a vital part of the City's homeless program. In Santa Cruz County, a total of 9,156 dwellings were destroyed or badly damaged, equaling 3.7% of the housing stock countywide, including 1% of the total housing stock of the City of Santa Cruz, and 8% of the total housing stock of the City of Watsonville. An estimated 3,100 persons, including 400 seniors, have been displaced. The sudden increase in homelessness throughout the earthquake area has ignited an explosion in demands for County-based social services.

The unexpected increase in demands for earthquake related social services on previously overflowing and underfunded programs will further paralyze individual Counties and their ability to deliver even the most essential and basic social services.

The CSAC Earthquake Relief Legislative Task Force recommends that the Federal government provide reimbursement for the extraordinary County costs incurred to date for earthquake related social services. We believe that this is appropriate due to the Federal origin of many of the social services programs which are administered at the local level by Counties.

Following the Loma Prieta earthquake and subsequent presidential disaster declaration, impacted local jurisdictions became eligible for the U.S. Department of Commerce, Economic Development Administration, Title IX Sudden and Severe Economic Dislocation Grant Provisions of the Public Works Economic Development Act of 1965. The intent of the program is to provide direct grant aid for the economic recovery of disaster struck communities. Grants are provided to help develop and implement local economic adjustment strategies designed to anticipate and prevent an economic dislocation, or to reestablish employment opportunities and economic stability as soon as possible after a dislocation occurs. Certainly, the earthquake was a dislocation.

Strategy grants support the immediate development of a comprehensive response to an actual or threatened dislocation. To be eligible, dislocations must have occurred within the preceding 12 months or be expected within two years and must meet established job loss thresholds. Grants are awarded to eligible projects based on a nationwide competitive grant application. Most recently, President Bush has recommended the elimination of the Economic Development Administration as part of his proposed FY 91 budget reduction plan. If the agency is eliminated, it would end an important source of assistance for communities hit by economic or natural disaster. The proposed cut would further jeopardize current efforts to rebuild earthquake ravaged communities in California.

In downtown Santa Cruz alone, approximately 50% of the entire commercial core was destroyed, resulting in 2,000 dislocated jobs and a 20% loss in sales tax revenues. The loss of business volume due to altered transportation patterns caused by the closure of the Embarcadero Freeway in San Francisco, and the collapse of the Cypress Structure in Alameda County, will require specialized marketing and promotional programs. Heavily damaged downtown cores such as Watsonville, Hollister, and Santa Cruz will require new thinking in urban design, marketing, and economic feasibility, traffic circulation, and fiscal planning in order to guide necessary revitalization activities.

The revitalization of commercial and industrial centers destroyed by the earthquake requires an infusion of both Federal and State grant assistance in order to overcome both the immediate and long-term impacts of dislocated businesses, workers, and consumers. Absent meaningful and complete grant assistance, collapsed economic centers will remain crippled for more than a decade.

The last issue I would like to highlight for the Committee is the matter of disallowed and unreimbursed costs.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 provides for up to 100%, but not less than 75% for eligible disaster related costs. Prior to the Stafford Act, however, Federal assistance averaged 40 cents on every dollar required for disaster recovery projects. This fact was well documented in a County Supervisors Association of California survey of Counties which had experienced major disasters throughout the early and mid-1980's. A similar discrepancy between actual versus reimbursed costs was also confirmed in a national survey of disaster struck Counties conducted by the National Association of Counties.

The primary cause of the shortfall in Federal reimbursements is the FEMA practice of disallowing certain project costs which are an integral part of an otherwise eligible project. In addition, oftentimes, entire projects and activities which are essential for effective and meaningful response and recovery are determined not to be eligible for Federal reimbursement. In large part, the Stafford Act amendments were intended to limit unreasonable discretionary judgments, by specifying in somewhat greater detail the types of activities eligible for Federal assistance. Thus far, it is everyone's expectation that the Stafford Act amendments will result in greatly improved levels of reimbursement. At this time, it is too early to judge the exact impact that the Stafford Act amendments will have on the percentage of Federal reimbursements. The primary reason for not knowing is that the overwhelming majority of the Disaster Survey Reports submitted to FEMA for approval have not as yet been reviewed or confirmed for payment.

Clearly, this is an area of the Act which merits further attention as the picture of the Loma Prieta earthquake costs roll in and FEMA takes action regarding cost reimbursement.

In conclusion, let me say that while a one or two aspects of disaster relief and response provided by the Federal government were better in 1989 than in the previous four presidentially declared disasters in northern California in the past eight years, the facts are that without further action by Congress and the President to provide statutory and regulatory assistance, the people of northern California will be sentenced to a continuing disaster.

While on a superficial level it appears that the disaster is over for many people, the facts are that downtown Santa Cruz is in ruins, downtown Watsonville is in ruins, there are thousands of people in temporary shelters and temporary housing throughout northern California, the prospect for permanent replacement affordable housing is bleak, the prospect for massive increases in homelessness is great, and the already crumbling roads, bridges, and other public facilities in the earthquake area will continue to disintegrate as a direct result of the earthquake unless the very same elected officials who toured the earthquake-devestated area are willing to live up to their word and "do what it takes" to help our communities recover.

It is our hope that you and others in positions to do so will help.

Thank you for your concern. We await your assistance.

Statement of
Stan M. McKinney
Director of Public Safety Programs
South Carolina Governor's Office

Before the
Subcommittee on Investigations
and Oversight of the
House Committee on Public Works
and Transportation

May 2, 1990

Mr. Chairman and Members of the Committee, on behalf of Governor Carroll Campbell, I appreciate this opportunity to appear before you concerning the Federal Emergency Management Agency's performance and role in handling major natural disasters and emergencies such as Hurricane Hugo. I had the opportunity to serve as the State Coordinating Officer during the response to and recovery from the largest, most devastating hurricane ever to hit South Carolina. My remarks this morning are based on my experience and interaction with FEMA during this most recent disaster.

We must keep in mind that the federal, state and local recovery action is still underway in South Carolina. Much has been accomplished by all involved, but much is yet to be done.

I am sure that lessons learned by FEMA and the State will continue to emanate from the Hurricane Hugo response for years to come. Lessons learned, which were established through evaluation and investigations such as this today, will be most valuable in sharing future emergency response and disaster recovery policy and procedures at all levels of government. We must insure that we consider all aspects.

I feel that any evaluation of FEMA's response to Hurricane Hugo must take into consideration the following:

- Hurricanes can cause extensive and severe damage for a considerable depth inland. Hugo maintained hurricane strength for almost two hundred miles inland, across South Carolina and into North Carolina. This intensity resulted in twenty-four (more than half) of South Carolina's counties being declared disaster areas.

- Accurate and complete damage assessment in a large scale disaster is virtually impossible to accomplish within FEMA-established timeframes for declarations.

- The volunteer response to disasters must be carefully planned and coordinated. FEMA and the states must establish an infrastructure to handle the massive influxes of goods and labor that pour into a disaster area.

- FEMA is not constituted for immediate response. Currently, federal laws and regulations do not provide for immediate federal emergency response, but only provide for disaster recovery. This fact is misunderstood by many and resulted in much confusion during response to Hurricane Hugo.

- No local or state government is initially fully prepared for a Hugo-sized emergency response. Hugo is proof that state and local governments only prepare for moderate disasters.

- Emergency response planning and preparedness organizations at all levels of government are underfunded, undermanned, and are normally placed on the "back burner" during times of calm. To paraphrase Rudyard Kipling -- In times of trouble and not before, God and the Responder we all adore. When the trouble is over and all things righted, the Responder is forgotten and God is slighted.

- We must remember, if it isn't broken, don't try to fix it! Many of our present concepts and procedures are good and well considered. We habitually overreact with change when only tightening and strengthening the system is required. If we must go beyond fine tuning our present system, then remember what Petronius said in 200 B.C. regarding organization:

  > "We trained hard...but it seems that every time we were beginning to form up into teams, we would be reorganized...I was to learn later in life that we

> tend to meet any situation by reorganizing, and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization."

There are many things FEMA and the State could have done better, but there are a great many things that were done in an outstanding manner. I remind all assembled that there were only twenty-seven deaths related to Hugo in South Carolina, and of this number, only thirteen were a direct result of the storm. Compare this with some 2,000 lives lost just before the turn of the century when a hurricane struck the lower coast of South Carolina. Most of us in South Carolina agree that our state's emergency preparedness organizations are underfunded and undermanned. We will not agree with some critics that we are underplanned, for there are emergency response plans in every county of our state. FEMA has provided planning guidance and state law and regulations require the plans. But the fact that those plans and procedures were not universally known by those charged with protection of life and property is true. FEMA and the states must provide for the necessary funding and programs to counter this educational deficiency. In essence, many jurisdictions have a far superior emergency response organization and capability than they should reasonably expect based on the current lack of federal, state and local emphasis and funding.

I feel that both FEMA and the state did the best job they could based on our current laws, regulations and organization. FEMA provided invaluable support to the state under very trying circumstances. The director of FEMA, Region IV, Mr. May, accompanied Governor Campbell on his tour of the disaster area the day after Hurricane Hugo hit South Carolina. Governor Campbell presented Mr. May with a request for a Presidential Disaster Declaration that morning, and sent one to both FEMA national and President Bush. The declaration was made that same day. In actuality, the FEMA-IV disaster recovery staff was with us the day prior to the disaster and offered support to the Governor and our state Emergency Preparedness Division. Advance elements of the Disaster Field Office (i.e., Public Information, Public Assistance, Individual Assistance, Department of Defense representatives and others) were on the scene in Columbia and were operating from a co-location within the State Emergency Response Control Center. Immediately following the President's declaration, a federal/state agreement was signed and requests to the DOD representatives were honored and immediately coordinated for the use of military assets for bridges, helicopters and generators.

Both the state and FEMA had a most difficult time in getting an initial accurate assessment of the extent of the total damage. This lack of knowledge also caused FEMA much difficulty in the establishment of a properly located and adequately staffed Disaster Field Office and the Disaster Application Centers. All efforts should be applied to getting a more accurate assessment prior to jumping into establishing DFO's and DAC's without a sufficient workforce to operate them.

Recommendations:

- FEMA should concentrate early on determining total damages in the disaster area to identify area needs and the demand for federal support. In the case of Hugo, once the Disaster Field Office was established in Charleston, work began in earnest and counties were added to the declaration list almost daily. Damage was obvious enough, however, in the majority of the affected counties to have allowed much earlier declarations.

- FEMA national should provide more senior staff support to the Federal Coordinating Officer in the Disaster Field Office. Decisions regarding areas of the Stafford Act and limitations of disaster assistance had to be discussed with FEMA national attorneys. Such staff should be located in the DFO on any major disaster.

- FEMA must be more proactive with public information, even to the extent of assisting the media in reestablishing their stations' capabilities within the disaster area.

- Congressional liaison operations are a critical component of a full-scale FEMA response and left a lot to be desired during the Hugo disaster in light of the subsequent criticism leveled at FEMA. Here again, the agency must be more proactive.

- If FEMA is only to be a disastar recovery agency, as opposed to an emergency response and recovery agency, then they should publicize this exclusive role. Much of the criticism of FEMA following Hugo came from this lack of understanding.

- During the Hugo response, coordination of volunteer groups was not established until well into the disaster. FEMA should look at gaining this coordination between the groups prior to a disaster.

- Disaster relief programs are very diversified among many federal agencies. FEMA must provide better coordination of the multi-agency resources and educate local officials regarding these programs. A consolidated handbook identifying all programs is mandatory.

- FEMA should plan and exercise for the worst case scenario. A Hugo in the Islands and the Carolinas, and an almost simultaneous earthquake in California, as well as a small hurricane in the Gulf, certainly almost meets this criteria.

- Emergency response funding is meager at the least. Congress should dramatically increase funding for natural disasters at the federal, state and local level.

- FEMA's primary implementing legislation is the Civil Defense Act, which was amended in 1981 to allow for preparedness for national disasters, but the agency's primary objective remains attack preparedness. FEMA's role and mandate should be reassessed toward coping with natural and man-made disasters, in light of the recent events in eastern Europe and our experience with Hurricane Hugo and the California earthquake.
- Congress should consider the creation of a federal-level Emergency Response Team that would have the capability and resources to immediately respond to natural disasters and catastrophic events, and provide necessary support to state and local governments.

In closing, I would like to say that both FEMA and the State of South Carolina worked dedicatedly together to get the job done, under the greatest of pressures, during the largest natural disaster in this century in South Carolina, and the largest for FEMA since its establishment. Within our limitations, we believe both FEMA and the State of South Carolina met the challenge.

Thank you.

North Carolina Department of Crime Control and Public Safety

James G. Martin, Governor
Joseph W. Dean, Secretary

Division of Emergency Management
116 W. Jones St., Raleigh, N. C. 27603-1335
(919) 733-3867

STATEMENT OF

JOSEPH F. MYERS, DIRECTOR
NORTH CAROLINA DIVISION OF EMERGENCY MANAGEMENT
NORTH CAROLINA DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

BEFORE THE

SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT
THE HONORABLE GLENN M. ANDERSON, CHAIRMAN

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

May 2, 1990

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to testify today on the Federal Emergency Management Agency's role in disasters and in particular North Carolina's experiences with FEMA during Hurricane Hugo.

As Director of the State Emergency Management Agency, I am responsible for coordinating, guiding and supporting State and local emergency management programs. These programs address virtually every type of natural and technological hazard that our society faces. Emphasis is placed on developing and maintaining emergency preparedness programs not only at the State and local levels but throughout the private sector as well. It is imperative that all levels of government and the private sector work together to establish an effective and comprehensive emergency management program. A comprehensive program is one that addresses four phases: mitigation, preparedness, response, and recovery.

Recent disasters such as Hurricane Hugo and the Loma Prieta Earthquake reinforce a basic tenet of emergency preparedness: the first 24 to 72 hours of a disaster are critical; and furthermore, the effectiveness of response and recovery efforts are typically determined (or pre-determined) by the level and quality of emergency planning, training, and hazard awareness and education among government officials and the public. Hurricane Hugo is testimony to what can happen if this planning and training infrastucture is not in place at all levels of government.

Before I address our experiences with FEMA during Hurricane Hugo response and recovery, I think it is important that you understand the background of Emergency Management in North Carolina. Our success in handling Hugo and its effects on our citizens was a direct result of the years we have spent planning, training, and exercising for a major disaster. Basically, 1985 was the turning point for the Emergency Management program in North Carolina when Governor James G. Martin recognized the need for a more pro-active program and made Emergency Management a priority business of state government.

There are numerous examples that demonstrate this pro-active approach but the most notable of these are:

1) Natural Disaster Planning - North Carolina in conjuntion with FEMA and the Army Corps of Engineers completed the Eastern North Carolina Hurricane Evacuation Study in 1988. The purpose of the study was to provide emergency management officials with realistic data for hurricane evacuation decision-making. The hurricane evacuation plan was then exercised annually (in fact the last

exercise occurred only 3 months prior to Hurricane Hugo). This entire collective effort toward hurricane preparedness was extremely beneficial, and FEMA officials hailed it as a "tremendous success". In 1989, the National Hurricane Conference honored North Carolina with its Emergency Management Award for "developing one of the most pro-active hurricane planning and preparedness programs in the United States." I believe FEMA needs the resources to sponsor more operational response plans and exercises.

2) New Technological Equipment - North Carolina purchased new equipment which expanded the radio communications capabilities and the Emergency Broadcast System (EBS) throughout the State. Antiquated warning systems were upgraded, and a Hurricane Warning System was installed in the 20 coastal counties of North Carolina. An Environmental Satellite Display (color Weather Radar) was installed at the State Emergency Operations Center, and it was utilized to track Hurricane Hugo 10 days prior to landfall.

3) Expanded Personnel - Additional Emergency Management staff were hired at the State level and the majority were co-located in the field with the local Emergency Management Coordinators.

As these needed resources were put in place and crucial planning and training occurred throughout the State, there emerged a new spirit of coordination, cooperation, and unity among the emergency management partners at the State and local level as well as the private sector. Emergency Management in North Carolina has become a priority business of not only State government but local government and private industry. It is crucial that Emergency Management also become a priority business of the Federal government.

Within the nine months preceeding Hurricane Hugo, North Carolina received two Presidential Disaster Declarations for devastating tornadoes. Because many of the Hugo-affected counties were impacted also by the previous tornado incidents, that required implementing the Stafford Act, local officials knew what to expect. During the Hugo response phase, these local officials were able to request resources such as technical personnel and equipment. In addition, as a result of their previous experience, they were more knowledgeable in working with State and Federal officials during the recovery phase.

I believe there were positive aspects of the Federal response to Hurricane Hugo. White House officials and FEMA, Region IV representatives called our Emergency Operations Center well in advance of Hugo's landfall to offer support to North Carolina.

When it became apparent in the daylight hours of September 22, that we had sustained a considerable amount of damage, I requested FEMA's Region IV liaison to come to North Carolina, not for the purpose of directing but to coordinate Federal resources. After an initial appraisal of the damages sustained, additional FEMA personnel arrived and provided valuable assistance with further detailed damage assessment. I believe that this coordination at the State and Federal level throughout the initial response phase enabled North Carolina to request and obtain a Presidential Disaster Declaration, and open the first of our Disaster Assistance Centers in less than 10 days of the onslaught of Hurricane Hugo. FEMA was instrumental in assisting us with the damage assessment necessary to obtain a Presidential Disaster Declaration.

FEMA recovery personnel were both knowledgeable and professional, and they arrived in a timely manner. However, it became obvious almost immediately that more of their ranks were needed with the overwhelming task of establishing and manning Disaster Application Centers and the Disaster Field Office. FEMA was limited in the amount of personnel they could dispatch to North Carolina since numerous personnel had already been assigned to the Virgin Islands, Puerto Rico, and South Carolina. Therefore, it was necessary for North Carolina to loan additional personnel and equipment to assist FEMA.

I believe a "Strike Team" concept that would prevent this type of personnel shortage from recurring is worthy of consideration. For example, why not utilize emergency management personnel from unaffected state and local governments to assist in all phases of the recovery process? Organized into "Strike Teams" these trained personnel could be mobilized to a disaster area and could provide a vital resource to augment staffing at Disaster Application Centers and the Disaster Field Office.

Another area of concern is FEMA's coordination role. According to the FEMA Mission Statement, "FEMA acts as the focal point for all levels of government in developing a national emergency management capability that can deal effectively with any major emergency." Included in the statement is that FEMA "coordinates federal assistance for Presidentially declared disasters and emergencies." Although FEMA did a good job in its coordination role with other Federal and volunteer agencies, there are some agencies that need to become more aggressive in assisting FEMA with its mission. Other Federal agencies need to have a better understanding of their own role in disaster relief and they need to recognize FEMA's role. FEMA should be given broader legislative authority and greater financial assistance if it is to truly serve as the "quarter-back" for the response and recovery efforts of all federal agencies.

North Carolina has experienced eight Presidential Disaster Declarations in the last 16 years and the Robert T. Stafford Disaster Relief and Assistance Act has proven to be a giant step forward in the administration of disaster assistance programs. The Act is more manageable and it has provided more flexibility in the administration of Disaster Assistance Programs. There is less "red tape", less paperwork, and the Act provides expanded services. For instance, through the Individual and Family Grant Program victims may now receive up to $10,400, victims may now qualify for up to 18 months of temporary housing, and the Act provides additional funding to States and counties for Hazard Mitigation. However, the limited resources in equipment and personnel that FEMA has encountered has hindered their effectiveness in administering the Stafford Act in North Carolina. In this age of computer technology, it would be possible to expedite the assistance to disaster victims through electronic entry of individual assistance applications in the Disaster Assistance Centers.

As with the implementation of any new program, there are certain areas relating to the Stafford Act that must be examined. First, there seems to be some uncertainty on the part of FEMA in administering the Hazard Mitigation Program. Further, FEMA needs the resources to develop more educational programs on the Stafford Act for State and local officials. Also, all agencies charged with administering certain sections of Stafford, whether under Public Assistance or Individual Assistance, should have compatible computer systems with FEMA in order to avoid duplication and to provide better quality control. Finally, Federal disaster relief funding programs generally require 25 percent in state matching funds, but perhaps consideration should be given in instances where states have been impacted by multiple Presidential Disaster Declarations within a fiscal year. With three Presidential Disaster Declarations in the last Federal fiscal year, North Carolina is a prime example of the financial burden imposed on state budgets.

There also has been concern as to how the Stafford Act would apply to technological disasters such as the Alaskan Oil Spill, the chemical accident in Bhophal, or a nuclear facility disaster. Unfortunately, there has been a lack of guidance from FEMA on this issue and I believe it is imperative that this be resolved. One reason for my concern is that natural disasters such as Hugo spawn additional disasters. Hurricane Hugo caused not only other natural disasters such as floods and tornadoes, but also technical mishaps such as hazardous materials incidents and nuclear facility problems.

In closing, the State of North Carolina has been very pleased with the professionalism and perseverence of the FEMA staff who have assisted us. FEMA, Region IV, is currently managing more disasters simultaneously than the normal national level. There are many devoted personnel within FEMA, many of whom have not been home for months. One gentleman who is working with our State, and five other disasters as well, has only spent four weekends at home in the last six months.

I hope you will agree with me that emergency preparedness MUST become a priority business of government and that FEMA, as the focal point, must receive the adequate resources and legislation that it needs to be truly effective in its ultimate goal: to save lives and property. Thank-you.

STATEMENT OF
GRANT C. PETERSON
ASSOCIATE DIRECTOR
STATE AND LOCAL PROGRAMS AND SUPPORT
FEDERAL EMERGENCY MANAGEMENT AGENCY

BEFORE THE
SUBCOMMITTEE ON
INVESTIGATIONS AND OVERSIGHT
COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES

May 2, 1990

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I appreciate the opportunity to discuss with you the Federal Emergency Management Agency's (FEMA) response to Hurricane Hugo and the Loma Prieta earthquake. Your letter of invitation asked us to address a number of subjects. As background for a discussion of these and related matters, I will first describe the impact of these disasters and our response to them, and then present some of the lessons we have learned.

HURRICANE HUGO

By all accounts, Hurricane Hugo was one of the most devastating and costly hurricanes ever to strike the United States and its territories.

As Hugo approached the Virgin Islands, it was classed as a Category IV hurricane (Category V being the highest), with sustained winds in excess of 140 miles per hour. The storm passed directly over the island of St. Croix in the U.S. Virgin Islands about 4:00 a.m. on September 18. After passing over the island of Vieques, Hugo made landfall over the northeastern tip of Puerto Rico around 8:00 a.m. on September 18, with maximum winds of 120 miles per hour and a storm surge of up to 8 feet.

Leaving Puerto Rico, Hugo continued in a northwesterly course and regained strength over the open ocean. By the evening of September 21, it was once again a Category IV hurricane, with 138 mile per hour winds. As it neared the mainland, its forward speed increased to 30 miles per hour, and hurricane warnings were posted from Florida to North Carolina. Hugo made landfall north of Charleston Harbour, South Carolina just after midnight on September 22, with 140 mile per hour winds driving a 15 to 20 foot storm surge. The Hurricane continued in a northwest arc through South Carolina and was in the vicinity of Charlotte, North Carolina by 5:00 a.m. on September 22. Moving west of the Appalachians, the storm was downgraded to a tropical storm later the same day.

Federal assistance provided under the Stafford Act for the Virgin Islands, Puerto Rico, South Carolina and North Carolina is estimated to be $1.5 billion, more than double the $613 million provided after Hurricane Gloria, for which six states received major disaster declarations in 1985.

LOMA PRIETA EARTHQUAKE

The Loma Prieta Earthquake, measuring 7.1 on the Richter scale, was the largest to strike the San Francisco Bay region since the 8.3 magnitude earthquake of 1906. It resulted from the rupture of a 31-mile segment of the San Andreas Fault, the epicenter of which was near Mount Loma Prieta, 9 miles northeast of Santa Cruz and 60 miles south southeast of San Francisco. The main shock lasted 7 to 10 seconds and was followed by 2 aftershocks greater than 5.0 within the first 48 hours. In the 3 weeks following the earthquake, there were 4758 aftershocks, 87 of which were greater than 5.0. The shaking was felt over a 400,000 square mile area and damage was reported from as far north as Sacramento and as far south as Monterey. The most severe damage was sustained in the Bay-area jurisdictions, and 10 counties and two cities were designated under the President's major disaster declaration. The current estimate of obligations for Loma Prieta from the President's Disaster Relief Fund is $510 million.

IMPACT OF THE DISASTERS

The news media covered these disasters extensively at the time of their occurrence and prior witnesses have given the Committee information on their impact, so I will not dwell on this area. I do think it appropriate to cite a few statistics that indicate their magnitude. For example:

- FEMA has paid for the removal of over 20 million cubic yards of debris;

- The infrastructure of the island of St. Croix was virtually destroyed. Over 4.5 million pounds of food was airlifted in. Approximately 90 percent of the housing was destroyed or sustained major damage--over 5.5 million square feet of plastic sheeting was installed to provide temporary roofs. The electric power system was destroyed; it was not until January of this year power was fully restored to customers. All of these activities were funded by FEMA under the Stafford Act.

- For all disasters, peak sheltering demands on the American Red Cross alone reached 200,000 beds in 806 shelters and volunteer organizations served over 13 million meals.

THE FEDERAL RESPONSE

In the face of demands of this magnitude, occurring in such a short period of time, I believe the Federal Government's response was remarkable. Every Cabinet agency played some role in responding to one or more of these disasters, and a number of the independent agencies in addition to FEMA also played a major role as well, EPA, GSA and SBA being among the more prominent. From a standing start, as it were, in the space of about five weeks the Federal Government was actively involved in either providing or assisting State and local governments in proving almost every conceivable governmental service at the local level in one Territory, one Commonwealth and three states over a geographic separation of 3000 miles and in diverse cultural and economic environments. These services included the provision of food, water, power, medicine and medical facilities, shelter, transportation, communications, and law enforcement.

By virtue of its responsibilities under the Stafford Act, FEMA coordinated the Federal response. Literally within hours of Hugo's passage over the Virgin Islands and Puerto Rico, FEMA personnel and communications equipment were on the scene. As Hugo approached the mainland, FEMA staff were located in state emergency operating centers from Florida to North Carolina, providing technical assistance that resulted in a presidential disaster declaration for South Carolina on September 22, the day the storm hit.

FEMA opened its Emergency Information Coordinating Center (EICC) in Washington on a round-the-clock basis, staffing it with its own disaster assistance specialists and representatives of other Federal agencies who were playing major roles in the emergency response activities--particularly those in the Caribbean. Just about the time EICC activities were winding down, Loma Prieta hit on October 17. Our Headquarters emergency support team had the

EICC staffed within an hour after the quake. We also called all the agencies that have responsibilities under the Federal catastrophic earthquake response plan, and I chaired the first meeting of the catastrophic disaster response group at 11:00 p.m. that evening. At that time we placed a conference call to the California State Emergency Services Director in Sacramento to determine his needs and to offer our support. The Governor's request for a declaration was submitted on October 18 and the President declared a major disaster the same day.

Let me cite a few statistics to give you some idea of the magnitude of the impact of these disasters on FEMA. Our normal staffing level for the Agency in terms of full time equivalents (FTE), is about 2400, 233 of which are assigned to the Disaster Assistance programs. At the peak of our response operations for these five disasters we employed almost 3500 people, 570 of whom were full-time FEMA staff. The normal annual appropriation for the President's Disaster Relief Fund is in the $270 million range. As a result of two supplemental appropriations one in FY 89 and one in FY 90 of $1.1 billion each, FEMA went into FY 90 with resources of $2.3 billion. We operated 100 Disaster Application Centers, and registered almost 385,000 people. Over 300,000 checks, totaling almost $630 million, have been issued to individuals and families. This is equivalent to approximately 7.5 normal years of activity, with the overwhelming proportion of this workload coming in the three and one-half month period between mid-September and the end of December. Almost half of the applications (185,000) were taken in Puerto Rico where, at the peak, we were processing over 10,000 applications per day. In our public assistance program, we will process about 31,000 damage survey reports, roughly equivalent to 3 normal years' work. Further, I think it worthy of note that we have responded to 17 additional major disaster declarations since the Loma Prieta earthquake.

LESSONS LEARNED

Any system that is subjected to the stress indicated by these statistics is going to show its weak points fairly quickly. Many of these I will touch on shortly. But first, I would like to discuss the things that went well and the concepts that we validated through this experience.

First, I think the comparatively low death toll in these events is significant. Hugo claimed 33 lives in the Caribbean and 22 in the Carolinas--not many, considering the ferocity of the storm. The Loma Prieta earthquake resulted in 63 deaths, 43 of which were the result of the collapse of a 1.5 mile section of the 2-level elevated sections of I-880 in Oakland. Compare 63 dead with deaths in other earthquakes of less than 7.1 magnitude:

Armenia - 6.9 - 25,000 dead; Italy - 6.8 - 3,000 dead; Nicaragua - 6.2 - 11,000 dead. I think the low death toll in last fall's disasters results, in part, from one concept that we have validated--preparedness works.

Example: FEMA-funded studies of potential storm surges, combined with evacuation plans developed by the State and local governments in South Carolina with Hurricane Preparedness Program funds, enabled the State to provide timely and sound advice to the population and to evacuate 264,000 people as Hugo approached the coastline.

Example: The Emergency Broadcast System, developed for use in national emergencies was activated twice by the Governor of Puerto Rico to provide information and instructions to the public.

Example: A joint Federal/State of California earthquake exercise, RESPONSE 89, held in August of last year, was materially responsible for the comparative ease with which the response efforts of the State and the Federal Government were meshed.

These few points underscore the continuing need for planning, training and exercises--activities that are seldom high on the lists of most public officials, but for which there is no substitute in time of emergency.

Second, I believe the cooperation among the responding Federal agencies was exceptional, although the initial response was not as immediate and comprehensive as some State and local officials expected. At this point I must also express my admiration and gratitude for the literally thousands of Federal employees who were involved in responding to these disasters. Many of them worked for weeks and months under conditions that were uncomfortable at best, and sometimes physically dangerous. Some of them continue to serve in the disaster areas today and will be dealing with the legacy of last fall's events for years into the future.

Third, mitigation activities are significant in reducing both life and property loss. Newer coastal structures that were built to meet the flood plain management standards of the National Flood Insurance Program suffered for less damage than structure that did not meet these standards. In California, no engineered structure built on the basis of the latest seismic safety codes collapsed.

Fourth, the public assistance programs authorized by the Stafford Act were effective in the restoration of damaged facilities.

And finally, but by no means least, the performance of volunteer agencies in responding to the unprecedented emergency food and sheltering needs of the disaster victims was truly impressive. In certain locations they are continuing to provide this assistance even today--far beyond their normal timeframes.

To summarize, I think it is safe to say that the Federal Government and many State and local governments have a pretty good idea of what needs to be done in the areas of preparing for and mitigating the impact of potential disasters--not that we always have the will to follow through. Hopefully, the lessons of last fall will not be lost on us. It is the areas of response and recovery that present the greatest challenges and opportunities for improvement, and I will now touch on these briefly.

First and foremost, the events of last fall made it plain that the role of the Federal Government under present law is neither universally clear nor accepted. The Stafford Act states that the Federal role is to supplement the response and recovery efforts of State and local governments. Yet in some instances, the State and local responders themselves were disaster victims, and the destruction was so widespread and pervasive that the Federal Government became the first responders. A significant amount of the criticism we received came from those who believed we did not perform well in this role, and there is some basis for that belief. It takes time for an organization as massive as the Federal Government to marshal, transport and deploy resources to meet emergency needs for medical support, water, food, power and shelter, even where there is a clear indication of the type and extent of assistance required.

Certainly, the Federal ability to support life-saving activities in the immediate aftermath of a disaster is limited indeed. In recognition of what we could have been faced with after Loma Prieta, FEMA has organized an effort that will identify, train, certify and deploy urban search and rescue teams to the site of an earthquake disaster. I believe the Federal Government needs to better define its role as a first responder in both catastrophic and non-catastrophic disasters. Such a definition holds significant implications for the types of authority and resources that might be required. Closely related to this is FEMA's very limited authority to deploy staff and equipment to a disaster area prior to a Governor's request for assistance under the Stafford Act.

Second, it is clear to us that much more needs to be done to upgrade the capabilities of the State and local emergency management community in responding to disasters and in serving as the link between the recovery efforts of the States and the assistance being provided by the Federal Government. We are exploring options for policy and administrative changes that might facilitate this process.

Third, there are a number of organizational and logistical issues that grew out of last fall's experience. We are exploring options for a transportable capability to sustain our initial on-site staff in a catastrophic disaster area, and we are considering use of the functional structure contained in the catastrophic earthquake response plan for all disaster operations.

Fourth, we are reviewing our policy and procedures as they relate to public information and Congressional relations. I am convinced that we could have done a much better job in these areas. One example of the problems that continue to plague us is the failure to communicate adequately the distinction between grants to individuals under the Stafford Act and loans provided by the Small Business Administration (SBA).

Fifth, there are a host of issues associated with the provision of individual assistance under the Stafford Act. Most of these are currently under review, but we are not now prepared to say whether legislative change will be required. We are looking at the relationships between the Temporary Housing, Individual and

Family Grant and SBA disaster loan programs, with an eye toward streamlining the assistance process and making the programs more comprehensible to the applicants. We are looking carefully at the manner and forms in which we provide temporary housing assistance, and we are exploring the use of a telephone application procedure as a supplement to the Disaster Application Centers.

In the public assistance area, there is a clear need for a more precise definition of private nonprofit organizations as eligible applicants for assistance. Also, we have found that States have been slow to take advantage of the flexibility provided by the small project grant procedure. We believe this can be cured by time and further experience. Further, we are looking at Federal programs for post-disaster mitigation programs and activities to see whether they should be expanded to cover all types of natural hazards.

Internally, FEMA is conducting a thorough study of its administrative systems for hiring disaster assistance employees, and for their training and deployment. We are embarking on a comprehensive review of our automated support systems, and are exploring opportunities for improved training of our employees and those of State and local governments.

Finally, we have identified some areas in which our relationships with the disaster-related programs of other Federal agencies could be improved, and we are in the process of discussing these with the appropriate agencies and with the Office of Management and Budget.

This concludes my statement, Mr. Chairman. I will be pleased to address your questions.

County of Santa Clara
Office of Emergency Services

County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110
(408) 299-3751

TESTIMONY OF:
MR. M. EARL THOMPSON
EMERGENCY SERVICES MANAGER
SANTA CLARA COUNTY (CALIFORNIA)

May 2, 1990

Glenn Anderson, Chairman
Investigation and Oversight Subcommittee

Mr. Chairman, I have been invited by the Honorable Norman Y. Mineta, Congressman from California's 13th District, to address this committee about my experiences with FEMA's response to the Loma Prieta earthquake. I am the Manager of the Santa Clara County, Ca. Office of Emergency Services and assumed the position of Director of the County's Emergency Operations Center (EOC) during most of the two weeks that the center was operating. Requests for assistance from FEMA usually were initiated from the County's EOC.

Santa Clara County has a population of approximately 1.5 million people and has been nicknamed Silicon Valley in reference to its well known high-tech industry. It is endangered by the San Andreas, Hayward, and Calaveras faults, as well as several other lesser known faults. The Loma Prieta earthquake had been predicted by the scientific community and has given their predictions of future events much more credibility than they previously enjoyed.

I wish to thank Congressman Mineta and this committee for giving me the opportunity to testify. I, like many others testifying before you, experienced the impact of this earthquake both professionally and personally. Professionally, I was involved in the response and recovery efforts both in the initial stages and the much longer recovery efforts which are still underway. Even as I testify, our County continues to provide close to one half million gallons of water monthly to the Santa Cruz mountain residents living within Santa Clara County. A portable shower unit also continues to function for those residents without adequate potable or non-potable water. Furthermore, the County Mental Health Department continues its efforts to alleviate the stress felt by our citizens, which intensified after the recent swarm of aftershocks. Our Environmental Health Department has worked unceasingly with the eighteen water companies in the mountains in an effort to help them restore their water systems to something representing normality.

Board of Supervisors: Susanne Wilson, Zoe Lofgren, Ron Gonzales, Rod Diridon, Dianne McKenna
County Executive: Sally R. Reed

From a personal perspective, I live in Los Gatos, the community, outside of those residing in the Santa Cruz mountains, most devastated by the quake in Santa Clara County. After verifying that my neighbor's house was destroyed and a major leak had developed in the gas main in front of my house, I was obviously concerned about the well-being of my wife. It was not until 11:30pm that I determined that she was o.k. and my house was still standing. Many others at the EOC were unsure of the status of their loved ones as well.

I would like to take this opportunity to thank all of the agencies with whom we worked during the course of this devastating disaster, including innumerable non-profit agencies without whose help we would not have been able to deal effectively with the disaster. Thousands of private citizens volunteered their time and resources without any thought to personal safety or recompense. It was indeed a time of altruistic dedication for the sole purpose of assisting our fellow man. Among those agencies who worked unswervingly for weeks, and continue to do so, is FEMA. Although much has been said about deficiencies in their programs, it was my experience that they were doing their best with the resources available to them.

However, I would be negligent if I did not identify those areas needing attention and improvement. As the only representative from Santa Clara County testifying before this committee today, I will attempt to convey the concerns and experiences of not only myself but others from my County with whom I have conversed, especially those residing in Los Gatos and the Santa Cruz mountains.

OBSERVATIONS AND EXPERIENCES

1. FEMA Personnel

Many of the personnel with whom we were dealing did not appear to be adequately trained. This may have been because Hurricane Hugo had made unavailable the bulk of the better trained and more experienced personnel. If so, it suggests greater depth of personnel resourses are needed. Information received was often incomplete, misleading or inaccurate.

2. Resource Allocation

A. The ability to quickly respond to a life threatening situation, i.e., importation of water, was unnecessarily and excessively delayed because of FEMA, and subsequently State, requirements. Before we could utilize a readily available National Guard unit to supply an urgent need for water in the mountains, we were required to determine the availability of private sector resources. When we were unable to identify such a resource, FEMA/State OES identified a resource about 80 miles away. Due to a number of factors, this resource was delayed by about 24 hours, a totally unacceptable delay in a potentially life threatening situation. We must be able to instantly utilize available resources in the case of an urgent need, without concern about such policies as stated above.

B. Shower Unit. A shower unit of the National Guard was sent to our County and serviced the mountain areas for several weeks. They provided a much needed service and did it well. However, in attempting to withdraw and return to their base of operations, San Luis Obispo, much misinformation was disseminated to the news media by both the guard unit personnel on site and subsequently command personnel in Sacramento. The misinformation caused our office to appear uncaring.

C. Disaster Application Centers (DACS). Two locations were initailly identified, Los Gatos and Sunnyvale. The initial contact by FEMA to our office was timely and good information was provided regarding the procedures necessary to open a DAC. However, Sunnyvale was prepared to open and unnecessarily delayed in the opening due to miscommunication between FEMA and State OES. Also, a DAC was established in the Santa Cruz mountains without my foreknowledge, preventing me from assuring that adequate local representation was at the DAC.

3. DAMAGE SURVEY REPORTS (DSR)

A. Paperwork. We continue to receive complaints about the amount of paperwork needed to receive funding. Some of the small water companies in the Santa Cruz mountians decided against applying or continuing their efforts to obtain funding because of what they perceived as excessive bureaucratic roadblocks. I spoke to private parties who went to a DAC, took the paperwork home and discontinued their efforts to get FEMA/SBA funding because of the paperwork.

B. Time to Process. Our county personnel expressed anguish at the time it takes to process the paperwork only to discover later that we did not qualify for some of the funds we were initially assured were obtainable.

C. Regulations. County personnel complained that FEMA was not always following its own regulations in determining what qualified for funding. There appeared to be inadequate analytical work in category A and B DSR's wherein projects are routinely rated ineligible; documentation suggests the opposite is the case. Also, there is inconsistent advice given regarding rules covering administrative costs, mutual aid, benefits and other overhead costs.

D. Funding Shortfall.

1. There is often excessive delays in receiving funds when insurance is a factor. One should be able to receive a cash advance, less the deductible, much more quickly than we have experienced.

2. Large projects in particular, often suffer from extensive delays in receiving funds.

3. When FEMA disapproves a portion of a DSR, they do not give any advance funds at all. They should advance that part of the DSR that has been approved pending our appeal of the disputed portion.

E. DSR numbers often do not match computer printouts provided by them.

4. COMMUNICATIONS

A. Quite often, requests for information is either ignored or delayed.

B. The initial disaster information meeting was too perfunctory, being limited to discussion of a timetable. No opportunity was given to ask questions of substance.

SUGGESTED SOLUTIONS:

1. PLANNING AND ORGANIZATION

A. The federal government needs to provide more funds for planning in the high risk/high population areas. Specifically, more funds for the EMA program to local agencies situated in such areas, would provide needed assistance.

B. The federal government needs to increase the involvement of County and City emergency program managers in response planning in areas critical to the National economy and/or security.

C. FEMA and State officials should provide an informational pool capability to which local officials can call to inquire about routine matters such as: questions of eligibility, procedures, and informal advice and counsel. This would allow busy officials to concentrate on more important matters.

2. RESOURCES

A. The federal government should broaden the authority of the State to allow the local agencies to more easily utilize the services of the National Guard.

B. Resources should be more quickly utilized after a Presidentially declared disaster. For example, FEMA Joint Information Center equipment would have been a valuable asset in this disaster as a public information center in a number of areas.

C. Medical mutual aid could be significantly enhanced if legislation were passed providing for reimbursement to the private sector for those medical agencies and personnel participating in a medical mutual aid response program.

D. More funding should be provided for the development of Emergency Operations Centers designed with the intention to withstand natural disasters rather than solely interested in protection against nuclear attacks.

3. RECOVERY

A. Printed material should be available now, providing an explanation of disaster recovery programs, eligibility requirements and claims procedures. Also, courses should be provided at EMI in these subjects.

B. FEMA reservists must be properly trained before being sent out to assist victims of a disaster.

C. DACs should be operated with greater coordination between federal, state and local officials.

D. Outreach programs designed to inform victims about disaster relief programs must be better coordinated with local officials.

E. FEMA must be able to identify the level of funding available early in the process and provide realism, flexibility, and speed in the allocation of funds to those in need.

F. A monthly meeting is needed to review the status of project requests, rule revisions, funding sources and allocation, and clarification of project denials.

Thank you for the opportunity to speak before you. I look forward to improvements that can enhance the response and recovery efforts of us all, based on the input you have received in recent days.

Stiti M. Wolfe
Operations Officer
Emergency Preparedness Division
1429 Senage Street, Columbia, SC 29201

In a review to FEMA's response to Hurricane Hugo the following is an assessment of FEMA's activities with regard to response and recovery actions in Hugo operations.

Before discussing the above actions, I feel that it is important to look at a joint FEMA/State assessment and consider elements of recovery that have a direct relationship and impact on recovery operations. The state and locals training in disaster recovery and administering of recovery operations was totally inadequate. The lack of knowledge and information on FEMA programs and assistance caused confusion and misunderstandings on available assistance. This is not to be critical of South Carolina because the same would probably hold true for the majority, if not all states with a disaster of the magnitude of Hugo. There were criticisms of FEMA and the state being slow in providing assistance. This should be examined closely by looking at the basic requirements and needs to put in place an operation to accommodate the massive Hugo recovery operation.

To address only a few of the basic considerations confronted by the disaster recovery manager, I will briefly discuss parts of the program.

1. Establish and staffing of a Disaster Field Office to accommodate the worst disaster of FEMA's history with a staff of approximately 1200.

2. Insure that Disaster Application Centers (a state responsibility) were available in all areas and were adequate to accommodate disaster victims. A total of 31 DACs were established serving the needs of 89,000 applicants. With the need to recruit

and train persons to take applications and assist individuals with a staff of up to 30 persons required in most DACs.

3. Insure that an engineering staff was available to assess public facility damages, prepared damage survey reports and debris removal coordination. The team concept of a federal, state and local joint assessment also requires the state and locals to provide those persons needed at a time when emergency and essential services are being restored. Seventy-six teams of engineers were required for the assessment and coordination. A significant point of interest is that 14 million cubic yards of debris has been cleared and disposed of as a result of Hugo, much of this requiring immediate removal to repair electric power and essential health care services.

4. Most radio and television stations were without electric power, as were over half the homes, and the means for providing public information was very limited for the first few days.

5. I would strongly recommend that FEMA and/or the White House develop procedures to work one on one with politicians. Critical press of FEMA lessens their effectiveness when answering to the media and others on bad press. It also lowers the confidence of persons in need of assistance. Politicians should also be made aware of the administrative requirements and needs for accounting and for record keeping in disbursement of millions of U.S. tax payers dollars.

In direct response to the five areas addressed in your letter I submit the following:

1. First response capability: adequacy, timeliness, and appropriateness:

FEMA Region Four had staff members in South Carolina on September 20, the day before Hugo hit. They were advising the state on actions to be taken if Hugo were to hit South Carolina. That staff was also planning for the Disaster Field Office, and making contact with and alerting reservists, volunteer organizations and DOD in preparation for Hugo. The initial planning was for the hurricane to affect mostly coastal and backup counties. Neither the State, FEMA nor the weather service expected Hugo to pick up strength, become a category five hurricane and move inland with the force and devastation that was experienced across the state. Considering FEMA Region Four staffing, the reserve staffing, current legislation and available resources, the response was as good as could be expected. The Region Director and DAP Program Manager did a fly over of part of the area on the morning of the 22nd and were able to endorse a recommendation for a Presidential Declaration and provided assistance to the state in preparation of the request for a declaration. They were also making arrangements for establishing power and telecommunications for the DFO.

2. Strengths and weaknesses in its role as federal disaster assistance provider and manager:

It would be difficult to find more dedicated and more knowledgeable people than those working in South Carolina in Hugo recovery. FEMA staff worked 12 to 14 hours each day, seven days a week for the first 60+ days and continued on with long hours 6 days a week until the DFO was scaled down after 5 months of operation. There have been questions concerning portable structures to house the DFO and DFO personnel, generators, more mobile homes or temporary housing. All of these seem to be unrealistic. In a major disaster such as Hugo it seems few people get the word immediately on federal assistance because of lack of power for broadcast media, then I question the urgency of opening a DFO or Disaster Application Center the day after the disaster. As evidenced by the extended period of time the Disaster Applications Centers were still taking applications, there must be more pressing and important matters to attend to immediately after the disaster. Possibly more attention needs to be given to volunteer services immediately after the disaster. Federal regulations and flood plain management preclude the setting up of mobile homes in some of the areas where they are most needed, causing more confusion. This is not necessarily a weakness but an area of concern. There should be some exceptions or relaxation of the rules on use of mobile homes on a temporary basis in hard hit areas were there is no available housing. Providing generators for every water facility, sewer pumping station, nursing homes, etc., also is unrealistic. More or better legislation requiring emergency backup power for health or health care facilities would better serve the needs and insure a quick or more immediate recovery rather than a period of time needed to determine the needs and transporting the emergency power into the area after the fact.

3. Coordination of the activities of other governmental and non-profit relief organizations:

Coordination of other federal and other relief organizations was excellent. I know of no mission request made by the state that was not filled by FEMA.

4. Adequacy of federal and state disaster preparedness programs:

FEMA Region Four has plans and programs and a capability to respond to major disasters if given sufficient time (2 or 3 days) to pull together the needed resources.

FEMA should place more emphasis on the requirements for State to develop better training programs and provide additional funding to the states in development and administering of these programs. FEMA should also consider the development of training materials, ie videos, fact sheets, and handouts on do's and don'ts in disasters.

5. Changes in FEMA's performance and capability since enactment of the Stafford Act:

   I saw no real changes in FEMA's performance since enactment of the Stafford Act. FEMA has provided guidance, assistance and funding to the state with FEMA personnel and continues to do so at this time.

The role of FEMA is misunderstood by the public. FEMA needs to be more proactive in educating the public about its role under current legislation. In my view, expanding FEMA's responsibilities to include being a response/reactive force to assume these being shared by states and local goverments is not the answer due to funding requirements.

CONGRESSIONAL TESTIMONY

Charles F. Wynne

Mr. Chairman, Members of the Committee:

I am Charles F. Wynne, Chief of Disaster Assistance Division for the Governor's Office of Emergency Services for the State of California.

On behalf of Governor Deukmejian, I would like to thank you for the opportunity to appear before the committee. We are presently in the active recovery phase of our response to the Loma Prieta Earthquake. Our principal effort at the present time continues to be in the field as we believe disaster recovery cannot be accomplished from a remote site. We are working on a six-day week with overtime schedule.

While no single person can give a comprehensive review of recovery activities, I hope my personal observations and review of the comments and experience of our staff, as well as those of individual and public agency applicants, can be helpful to you in your review of recovery efforts. With this view, and the desire of the committee, I will focus my remarks on the recovery programs generally administered by FEMA.

The Stafford Act has produced some much needed changes in the disaster recovery area such as expanding cost eligibility for public agency facility restoration and reconstruction as well as a substantial increase in the assistance available from the Individual and Family Grant Program (IFGP). There has also been improved cooperation between ourselves and FEMA in several areas such as historic preservation, demolition and insurance which have acted to accelerate the recovery.

Obtaining timely historic preservation clearance for reconstruction or demolition is crucial for recovery. Having a designated historic preservation liaison at the Disaster Field Office (DFO) instead of at a remote site, as in previous disasters, has substantially reduced time delays. The significance of this process within the context of recovery and preserving historic buildings can not be underscored enough in view of areas such as Santa Cruz and San Francisco.

The need to obtain and maintain insurance up to the extent of funding for the damaged facility has caused delays in past disasters as applicants spend precious resources and time attempting to secure insurance at the beginning of the recovery.

FEMA, at the urging of the State, acted quickly to institute a policy of commitment to obtain insurance which allowed the application process to continue instead of being placed in suspense.

FEMA's quick action in establishing a funding policy for demolition costs allowed local agencies to proceed in demolishing public and private buildings without the need to increase additional expense and delays. It was greatly appreciated by the applicants.

In the area of public agency assistance, we have a number of concerns some of which are:

The preliminary damage assessment process is pivotal for all recovery efforts. FEMA should devote adequate resources to the process even if a major disaster declaration is made immediately after the incident as was the case in Loma Prieta. A complete PDA is required to define the nature and extent of damage, identify the types of assistance needed, determine the funding needs, as well as identifying the management and administrative resources required for the recovery. Additionally, the results of the PDA can be used to determine the level of advances on possible claims that could be provided by FEMA. The State of California used this process to advance funding to counties after the Loma Prieta Earthquake in order to meet immediate cash flow problems. This advance served not only to address the cash flow problems, but quickly indicated the Governor's commitment to begin recovery as soon as possible and allayed any fears of local officials about the uncertainty of disaster recovery funding. This advance was accomplished before the special session of the Legislature and I would encourage FEMA to establish a mechanism to provide reasonable advances against future claims.

The Stafford Act expanded the universe of private nonprofit groups which would be eligible for disaster recovery assistance. The Loma Prieta Earthquake recovery effort is the first instance in my experience under the Stafford Act, and there appears to be a lack of information available to define the private nonprofits (PNP) which would be eligible. Additionally, this problem is then compounded by what appears to be a lack of consistent application of the rule for individual applicants. Both of these act to promote additional appeal work which, in some cases, endangers the very existence of the PNP since they may have small and or voluntary administration. This is an area of grave concern to us because of the number of PNP's which have applied in the Bay Area and the Santa Cruz-Watsonville areas.

As in many other areas, the FEMA public agency recovery efforts relies on reservists. When the disaster occurs these reservists must be called up and then trained as there does not appear to be sufficient statutory authority or funding to train at least a cadre of reservists on a regular basis prior to an actual declaration of a major disaster. These reservists are crucial in the agency recovery effort as they serve as the inspectors who complete damage survey reports (DSR) for individual recovery sites and response costs. These reports serve as the preliminary funding obligation document and if they do not adequately describe the scope of work, the recovery effort will be delayed by the need for additional inspections. The confusion which results from the poorly written damage survey report can lead not only to wasted time, but also to costly appeals, which may drag on for several frustrating years.

There is a great need to identify and resolve problems at the damage survey report level rather than employing a "let them appeal" attitude. At the present time this not only delays the recovery but it establishes a confrontational atmosphere and a adversarial relationship which continues long after the specific situation is resolved.

The Stafford Act does not address the facility damage or the damage to instructional facilities of public K-12 schools. The authority for this type of damage presently resides with the U.S. Department of Education under Public Laws 81-815 and 81-874. Under the Stafford Act, FEMA has authority to provide assistance for non-educational school facilities as well as to private non-profit K-12 institutions. Additionally, FEMA is authorized to address the needs of institutions of higher learning. We suggest that the committee review this split of authorities as we believe that it confuses school administrators, promotes artificial distinctions among facilities, and causes multiple site visits, which all work to delay the recovery process. While FEMA funding and concurrent state funding for new instructional facilities has been made available to schools for some time, as of Friday, April 27, I am not aware of any actual U.S.D.E. funding being made available to schools.

The FEMA Temporary Housing mission should be reviewed in light of the current situation. The reliance on providing funds for temporary repairs and rent vouchers does not appear to fully address disaster caused housings needs. Clarification of the mission for upgrading existing housing stock, eligibility for assistance and use of mobile homes is needed.

While the Individual and Family Grant Program has been streamlined in process and expanded as to grant amount as the result of FEMA and state review, and the Stafford Act, several areas of concern remain including the use of contract inspectors. Since the inspectors are fee driven, they can rush the review of a individual's damages causing a great deal of individual anger as well as producing costly appeals.

The Stafford Act increased the state's allowance for the administration the IFGP from 3% to 5%; however, this does not even approximate the real cost to the state for the program. Perhaps a scaled allowance linked to the number of IFGP applications, in addition to the base allowance, could be used as a method to determine the level of funding provided to states for program administration.

OES, as well as a number of local and state disaster assistance program agencies, have reservations concerning the FEMA use of telephone registration for disaster assistance. While it provides an immediate response, it presumes adequate telephone networks in the disaster area as well as excellent communication skills on the part of both the telephone registrar and victims. Additionally, among other things, it does not provide for local government involvement, reduces the availability of mental health assistance and does not eliminate the need for DAC's. While the DAC has been criticized in the past, we believe a more appropriate response to victims' needs is a greater effort in the DAC process and the Outreach effort and not a reliance on telephone registration. The need to coordinate assistance applications for a growing number of state and local programs with the federal process is greatly facilitated at the DAC level in conjunction with the nearby DFO. We do not believe that the telephone registration program at a remote site replaces the immediate address of victims needs and program coordination which occur at the DAC.

Under Governor Deukmejian's leadership the State of California has state programs to assist individuals, certain private non-profit groups and public agencies respond to and recover from the effects of natural disasters. His recent proposal for mandatory earthquake insurance for homeowners in 40 earthquake prone counties will significantly stimulate the recovery from an earthquake with only a modest increase in premiums. While these improvements address a wide variety of meeds they do not negate the need for efficient and effective federal aide. This concludes my proposed remarks.

SUBMISSIONS FOR THE RECORD

LOMA PRIETA EARTHQUAKE

UNMET NEEDS ACTION PLAN

Prepared by:

CSAC EARTHQUAKE RELIEF LEGISLATIVE TASK FORCE

SUPERVISOR FRED KEELEY
CHAIR

March 8, 1990

County Supervisors
Association of California

March 8, 1990

Dear Friends,

The October 17, 1989 Loma Prieta Earthquake literally shook northern California to the core. Lives were lost, friends and family members injured, public and private property destroyed and damaged, and businesses large and small were ripped asunder.

The President of the United States, the Governor of California, Senators, Members of Congress, and California Legislators toured the damaged areas from San Francisco to Watsonville, from Hollister to Oakland. They each promised to take actions necessary to heal the wounds and fix the damage.

The President and Congress immediately appropriated funds. The Governor and Legislature met in extraordinary session to pass a dozen bills and increase the sales tax by a quarter cent for thirteen months, which provided much needed short-term relief. Testifying to a Committee of the Whole in the Assembly and before committees, CSAC said those actions wouldn't be enough to make our communities, our families, and our businesses whole again. The Governor and the Legislature challenged us to prove that assertion, and told us that if we could, then they would take further actions to provide assistance.

We took the Governor and the Legislature at their word. The attached report documents in fine grained detail the additional $2.9 billion in need which is directly related to the earthquake and not covered under present federal policies and state statutes.

We have done our part. We now call upon the President, Congress, the Governor and the Legislature to do their part to help the people of northern California fully recover from the devastating October 17, 1989 earthquake. To do less is to sentence us to a continuing disaster.

We hope to be able to count on your support in this effort.

Sincerely,

FRED KEELEY, Chair
CSAC Earthquake Relief
Legislative Task Force

CSAC EXECUTIVE COMMITTEE President [illegible] KENNEDY City & County of San Francisco ■ First Vice President ROLLAND C. STARN Stanislaus County ■ [illegible] Vice President ROBERT DORR El Dorado County ■ Immediate Past President BILL COATES Plumas County ■ MICHAEL D. ANTONOVICH Los Angeles County ■ KAY [illegible] Riverside County ■ MAGGIE ERICKSON Ventura County ■ GRANTLAND JOHNSON Sacramento County ■ GARY D. LAMBERT Lake County ■ GARY LEMKE Lassen County ■ [illegible] MARCHAND Yolo County ■ SUNNE WRIGHT McPEAK Contra Costa County ■ JEANNE VOGEL Imperial County ■ HARRIETT WIEDER Orange County ■ LEON [illegible] San Diego County ■ ADVISORS CLARK CHANNING Merced County Administrative Officer ■ JAMES B. LINDHOLM JR. San Luis Obispo County Counsel ■ LARRY E. NAAKE Executive Director ■

Sacramento Office / 1100 K Street, Suite 101 / Sacramento, CA 95814-3941 / 916-441-4011 FAX 441-5507
Washington Office / 440 First Street, N.W. Suite 503 / Washington, DC 20001 / 202-783-7575 FAX 737-6788

CSAC Earthquake Relief Legislative Task Force

Chairman

Supervisor Fred Keeley

Members

County	Supervisor	Staff
Alameda	Don Perata	Tom Duncan
Contra Costa	Thomas Torlakson	Claude Van Marter
Marin	Bob Roumiguiere	Tom Campanella
Monterey	Barbara Shipnuck	Ernie Morishita
San Benito	Mike Graves	David Edge
San Francisco	Willie Kennedy	Carol Wilkins
San Mateo	Anna Eshoo	Kent Paxton
Santa Clara	Susanne Wilson	Jane Decker
Santa Cruz	Fred Keeley	Carol Girvetz
Solano	Lee Simmons	Birgitta Corsello

CSAC Consultant

Joe Cucchiara

Loma Prieta Earthquake Unmet Needs Action Plan

Interim Report

EXECUTIVE SUMMARY

Disaster Strikes

At 5:04 p.m., on October 17, 1989, the Loma Prieta Earthquake struck northern California with a deadly force of 7.1 on the Richter Scale. The epicenter erupted in Nisene Marks State Park, near the village of Aptos, in Santa Cruz County. Within the first 10 days after the initial earthquake, the United State Geological Survey recorded more than 4,000 aftershocks, including 20 with a magnitude of 4.0 or more, and 2 greater than 5.0.

Initial Response

On October 18, 1989, President Bush declared a major disaster in ten of the hardest hit Counties. Immediately thereafter, the Congress and the California Legislature took swift action, with the full support of both the President and the Governor, to authorize extraordinary funding for the emergency needs of earthquake victims and the initial recovery effort.

In record time, the Congress appropriated $3.45 billion for Federal disaster relief for the Loma Prieta Earthquake and the Hugo Hurricane. To help finance the State and local share of disaster costs, a temporary, thirteen month, quarter cent sales tax was initiated in December 1989.

The Challenge

However, during the legislative debate over the level of State disaster assistance, both the County Supervisors Association of California (CSAC) and the California League of

Cities vigorously testified that the projected $800 million from the 1/4¢ sales tax would be inadequate to meet the need. In response to the outcry for additional assistance, both the Governor and the Legislature challenged local government to prove the unmet need, and further committed to provide increased assistance if needed.

Response to the Challenge

In response to the challenge, the ten disaster struck Counties formed the CSAC Earthquake Relief Legislative Task Force, led by Supervisor Keeley of Santa Cruz County. On March 8, 1990, following an exhaustive three-month examination of earthquake related unmet needs and costs known to date, the CSAC Task Force issued their Interim Report of the Loma Prieta Earthquake Unmet Needs Action Plan. The findings of the Interim Report demonstrate a current unmet need in excess of $2.9 billion for additional earthquake assistance in twelve major need categories.

Top Priority Unmet Needs

The Task Force unanimously selected the following three areas as the highest priority for immediate action, totaling more than $2.75 billion in unmet needs known to date:

	UNMET NEED	FUNDS REQUIRED
1.	Funding for Affordable Replacement Housing and Temporary Shelter	$387,496,800+
2.	Revolving No-Interest Loan for Earthquake Working Capital	98,500,000+
3.	Funding for Hazard Mitigation Projects	2,261,031,000+
	TOTAL UNMET NEED	$2,747,027,800+

These three priorities were singled out because they represent the most urgently needed assistance required to: 1) replace the loss of affordable housing in order to stem the tide of earthquake caused homelessness; 2) provide badly needed cash flow to fuel the recovery; and 3) to take preventative action now to avert the further loss of life and property the next time disaster strikes. Each of these priorities requires an unwaivering commitment of State and Federal resources to secure the fate of earthquake victims today, and to rise above the rubble to rebuild tomorrow's future. Without a firm commitment to rebuild the shattered lives and fractured towns left by the quake, little hope remains for those most in need.

Affordable Replacement Housing and Temporary Shelter

Perhaps the most significant impact of the Loma Prieta Earthquake was the extensive widespread loss of affordable housing stock. The shocks and aftershocks of the quake wreaked havoc on very low and low income housing units, especially in the hardest hit areas of Alameda, San Francisco and Santa Cruz Counties. Prior to the earthquake, the majority of these jurisdictions were already faced with a serious shortage of low income housing units.

As a result of this further tragic loss in affordable housing stock, many more families and single men and women with children are now faced with the very real prospect of episodic periods of homelessness. However, now more than ever before, sufficient affordable housing is not immediately available to react to the overnight explosion in homelessness. Hence, the enormous loss of very low income affordable housing has caused an interim homeless crisis, that if left unattended, will rapidly become a chronic and permanent problem.

The present unmet need for temporary and transitional housing and short-term shelter alone exceeds $46.4 million. By comparison, the total unmet need within a four county area is tenfold greater than the State's current level of funding for emergency shelter. The proposed strategies and assistance needed in response to the widespread outburst of earthquake caused homelessness are fully described for each area in Section 5 of the report, Funding for Emergency Shelter Programs.

In addition, due to the seriousness of the damages suffered and the number of units demolished, the need for additional replacement affordable housing has also intensified to crisis proportions. As a result, there is a far more pressing need today, to urgently develop new low cost housing units built to current earthquake standards. Therefore, local governments need timely, additional disaster recovery assistance in order to respond to the affordable housing crisis caused by the earthquake.

The ability to construct new additional affordable units is especially critical given that the number of displaced earthquake victims far exceeds the number of lost units. By default, due to sub-standard and illegal housing conditions prior to the earthquake, a greater number of replacement units must be built to permanently house displaced earthquake victims. Furthermore, given that the most extensive damage to low and moderate income housing occurred in areas with known shortages of affordable housing prior to the earthquake, there is no reserve capacity available to permanently absorb the displaced low income disaster victims.

Consequently, additional, affordable permanent housing must be built as a direct cause of the housing stock destroyed by the earthquake. To date, more than $342 million is currently needed in six Counties to stimulate the immediate construction of replacement affordable housing. Thus, the total unmet need for the repair and reconstruction of damaged or destroyed low income housing is more than 5 times larger than the State's total allocation for disaster damaged owner occupied and rental properties. The specific assistance required in response to the significant loss of affordable units is fully described for each area in Section 6 of the report, Funding for California Natural Disaster Assistance Programs; and Section 7, Mortgage Credit Certificates Program Revisions.

It is abundantly clear from the severity of damage, the magnitude of unmet needs and the lack of affordable options, that a substantial commitment of State and Federal resources is urgently needed to reverse the tide of earthquake homelessness. Absent funding for temporary housing now, and during the time required to rebuild replacement low cost housing, those left without a place to stay will be left little choice but to live on the street.

Furthermore, without additional State funding and more responsive conditions for repairs and replacements, the low cost housing stock destroyed in the earthquake will be lost forever. Absent a further commitment of State assistance for badly needed affordable housing, low income earthquake victims will be left without a permanent home to return to, and the prospect of a continuing homeless future.

Revolving No-Interest Loan Fund for Earthquake Working Capital

Five major factors contribute to the pressing need for additional State and Federal assistance in response to the unmet cash flow demands of local entities:

1. the dwindling and non-existant revenues and contingencies for existing essential services and unexpected extraordinary disaster costs;
2. the requirement that local jurisdictions must pay first, before seeking reimbursement for disaster related costs;
3. the more damages sustained, the greater the demand for cash flow to fuel timely recovery efforts;
4. the high cost of permanent reconstruction of earthquake damaged facilities; and
5. the requirement for local governments to encumber sufficient funds to cover costs prior to authorizing contracts for needed services.

Therefore, the majority of disaster struck jurisdictions are in immediate need of a revolving, no-interest loan fund to provide ongoing working capital throughout the essential phases of earthquake recovery. While most jurisdictions are now in the process of determining their unmet cash flow needs, three of the most seriously damaged areas have already projected cash flow needs in excess of $100 million. Further discussion of the unmet cash flow needs for these areas is in Section 8 of the report, Funding for Disaster Related Administrative Costs and Cash Flow Needs.

It is abundantly obvious from an overview of the magnitude of earthquake demands, and the resulting cumulative shortfall in cash flow, that additional State and Federal assistance must be provided, for the present and continuing cash flow requirements of severely damaged local communities. Without question, absent further financial assistance for these ongoing current cash flow needs, the ability to execute a timely permanent recovery from earthquake devastation will, at best, be significantly delayed, and to a far greater extent, unachievable.

Funding for Hazard Mitigation Projects

Unfortunately, the Loma Prieta Earthquake provides a vivid example of the intensified need for hazard mitigation measures to protect life and property. The extensive damages suffered in public facilities alone not only jeopardized lives, but caused both an immediate disruption in vitally needed emergency services, and further disrupted the ongoing continuity of government's ability to function in post disaster conditions.

In addition, the high cost of disaster reconstruction is the direct result of obvious deficiencies in the ability of existing facilities to withstand known seismic forces. Ironically, much of the unprecedented cost of repairs could have been avoided with the installation of appropriate seismic reinforcements.

Nonetheless, the extraordinary cost of emergency response and ongoing disaster recovery efforts has further resulted in the onset of a financial disaster, as local jurisdictions struggle to respond to the most immediate and pressing needs. Thus, the financial ability to initiate preventative measures is, at best, non-existent, even though the need to make earthquake and other hazard mitigation improvements a top priority is overtly clear.

The unmet hazard mitigation needs of the ten disaster struck Counties exceeds $2.3 billion, including an astonishingly frightening need for $2 billion in earthquake and fire safety retrofits in public buildings alone. Each of the projects required are described in Section 9 of the report, Funding for Hazard Mitigation Projects; and Section 10, Earthquake and Fire Safety in Public Buildings Bond Measure.

There is little doubt that the ability of local governments to implement necessary precautionary measures, to prevent and reduce the loss of life and property in future disasters, will greatly depend on the amount of funds available for badly needed hazard mitigation projects. Disaster struck local jurisdictions simply cannot afford the 50% local match requirements for preventive hazard mitigation projects due to:

1. the extraordinary expenditures of unbudgeted funds for emergency response,
2. the ongoing disaster caused revenue losses; and
3. the continuing pressing needs for long-term recovery and reconstruction of disaster damaged facilities.

In addition, the total cost of necessary hazard mitigation measures identified to date is more than 28 times greater than the projected cap on Federal hazard mitigation funds, including the local/State match. Therefore, the majority of projects intended to protect life and property will not be constructed unless State funding for the 50% local match requirement is provided, and additional State and Federal funds are allocated beyond the level of the current projected program.

The lessons learned from the recent earthquake experience must be heeded. Recent events have glaringly demonstrated that an ounce of prevention is worth a pound of cure. Without substantial new funding, the safety measures identified to prevent the loss of life, injury and property damage cannot occur.

The State's investment today, in earthquake and other hazard mitigations, will save untold lives and dollars in future disasters. Decisive actions now can ensure that, at least for

California, the Loma Prieta Earthquake remains the most costly disaster in the history of the nation.

Additional Unmet Needs

In addition to the three top priority needs, the CSAC Earthquake Relief Task Force expressed continuing support for the six remaining categories of unmet needs identified in the Action Plan. Fortunately, each of these needs already has the benefit of having either legislative or administrative action underway in response to previously identified needs. Therefore, it is the intent of the Task Force to supplement prior requests for assistance with the more current and expanded description of unmet needs as described in each of the remaining sections of the report.

In several instances, special legislation has been carried over from the initial extraordinary legislative session for further consideration. In others, administrative actions are pending, in response to requests for additional assistance. Thus, it is the intent of the Task Force that, as a result of the added knowledge of similar needs impacting more than one jurisdiction, swift action can be taken in response to needed assistance. Therefore, the following brief summaries highlight the remaining unmet needs.

Funding Augmentation for Earthquake Related Social Services Programs

The Counties of Alameda, Monterey, San Francisco and Santa Cruz experienced the greatest demand for earthquake related social services, primarily due to the large numbers of damaged or destroyed very low income housing units, single room occupancy hotels and mobile homes. The sudden increase in homelessness throughout the earthquake fractured Bay Area has ignited an explosion in demands for County based social services.

The five hardest hit Bay Area Counties are already facing extraordinary unreimbursed costs for earthquake related social services delivered in response to the most immediate and pressing needs of disaster victims. In addition to the skyrocketing costs of expanded emergency shelter programs necessitated by the earthquake, the expected future costs for the continuation of badly needed social services far exceeds the crippled general fund revenues of disaster struck Counties.

Thus far, the known unreimbursed costs for social services in five of the ten disaster Counties is more than $4.4 million. The full description of the unmet social services needs appears in Section 11 of the report, Funding Augmentation for Earthquake Related Social Services Programs.

To date, many of the most essential earthquake related social services have been declared ineligible for either State or Federal reimbursement. As of yet, the State Department of Social Services has submitted a request to the Department of Finance for a deficiency appropriation to cover only a portion of the increased social services costs incurred in Counties impacted by the earthquake.

The unexpected increase in demands for earthquake related social services on previously overflowing and underfunded programs will further paralyze the ability of impacted Counties to deliver even the most essential and basic services. Furthermore, absent sufficient State and Federal funding for both the unreimbursed extraordinary costs incurred so far, and the future costs of responding to the unmet service needs of earthquake victims, the ability of Bay Area communities to recover from the consequences of disaster will be in even greater jeopardy.

Funding for Economic Development Agency Sudden and Severe Economic Dislocation Grants

In the wake of the earthquake, the Counties of Alameda, Monterey, San Benito, San Francisco, Santa Cruz, and several of their respective cities, suffered severe and sudden economic dislocations in major business and commercial sectors. Unfortunately, in each of these jurisdictions, much of the extensive structural damage occurred in the high density downtown business centers, resulting in large numbers of vacant or demolished buildings.

Both the immediate and long-term disruptions in business activities will require a variety of carefully planned strategies designed to assist dislocated businesses and workers. Heavily damaged downtown cores will require new thinking in urban design, marketing and economic feasibility, traffic circulation, and fiscal planning in order to guide necessary revitalization activities.

Small businesses suffering from large inventory losses and costly damage repairs need immediate cash flow assistance to sustain daily operations and to bridge the high cost of conventional financing for repairs. The availability of grants and low interest loans is critical to reducing the risk for businesses to relocate in disaster areas, where the economic viability may be questionable due to lasting earthquake impacts.

Owners of damaged properties will also require increased densities to support both the existing and new financing needed to rebuild. The added density, to be successful, requires new parking structures to support expanded customer demands. Therefore, grant assistance is vital to the construction of adequate parking to sustain the realities of economic recovery.

In areas where damages to commercial and industrial facilities far exceed available sources of funding for reconstruction, additional grant funds will be necessary to stabilize dislocated businesses. Similarly, due to the high cost of reconstruction financing, combined with prior existing debt, low cost affordable rents for shops and small businesses will be in scarce supply in the most badly damaged commercial centers. Therefore, additional grant funds will be needed to provide below market rents for dislocated businesses.

Fortunately, following a presidential declaration of a major disaster, impacted local jurisdictions are eligible for the U. S. Department of Commerce, Economic Development Administration, Title IX, Sudden and Severe Economic Dislocation Grant Provisions of the Public Works Economic Development Act of 1965. The intent of the program is to provide direct grant aid for the economic recovery of disaster struck communities. Typically, project grant awards require at least a 25% local match.

Thus far, five Counties have identified a need for more than $17.5 million in grant assistance to revitalize the economic heartbeat of disaster torn economies. The precise needs and proposed strategies for economic recovery in each of the hardest hit areas are more fully described in Section 12 of the report, Funding for Economic Development Agency Sudden and Severe Economic Dislocation Grants.

Currently, the State Department of Commerce is preparing a staff report for the Governor's consideration, recommending that the State fund the 25% local match requirements of public works construction projects approved for Title IX grants. If this recommendation is approved in its present form, the local match for non public works projects would not be funded by the State.

The revitalization of commercial and industrial centers wrought by earthquake requires a massive infusion of both Federal and State grant aid in order to overcome both the immediate and long-term impacts of dislocated businesses, workers and consumers. The mere availability of Sudden and Severe Economic Dislocation Grants is deficient in response to the overall magnitude of unmet needs. For grant assistance to succeed, local match requirements must either be waived or funded as part of the grant award. In addition, due to competitiveness of these grants nationwide, sufficient State and Federal funds must be allocated for economic recovery from the Loma Prieta Earthquake. Absent meaningful and complete grant assistance, collapsed economic centers will remain crippled for more than a decade.

Reimbursements for Revenues Lost Due to Earthquake

In addition to the massive physical destruction of the October 17, 1989 earthquake, the hardest hit local communities also suffered substantial financial losses from diminished property values, and the devastation of economic centers. The severity of the economic dislocation has subsequently resulted in lost revenues for local government, which are normally derived from otherwise prospering local economies. Due to the concentration of damage to retail and commercial centers, the revenue impacts of the Loma Prieta Earthquake were especially devastating in the Counties of San Francisco, Alameda, Santa Cruz and Monterey.

Property tax losses will continue beyond FY 89/90 for approximately 3-5 years, primarily due to the delay in reconstructing or replacing damaged structures. Due to the ongoing economic slowdown in concentrated retail, commercial and visitor serving areas, other local government revenues, such as sales tax, transient occupancy tax, business licenses, and parking fees and citations, have, and will continue to fall significantly short of pre-quake revenue levels. Other revenues, such as business fees and transit fares, have also eroded, thus further draining the ability to recover from disaster.

The total local revenue losses reported thus far, within a four County area, is in excess of $28 million. The description of known revenues lost is in Section 13 of the report, Reimbursement for Revenues Lost Due to Earthquake.

Immediately following the quake, in response to the projected loss of property tax revenues, the State adopted the provisions of SB 34X to provide for the reimbursement of FY 89/90 property tax losses. Therefore, the provisions of this statute must be extended for future year losses.

Similarly, in the face of diminished local sales tax revenues, the State is also considering the provisions of SB 30X, as a means of providing State loan assistance to local governments to help backfill lost sales tax revenues. Hence, the provisions of SB 30X should be broadened to encompass the other lost revenues and to provide grants instead of loans when needed.

Therefore, absent additional State assistance for the reimbursement of revenues lost due to the lasting effects of the earthquake, the most severely damaged local communities will be faced with yet another unexpected disaster--inadequate revenues to support existing services, and little hope for a speedy recovery from the ravages of rubble.

Extension of Time Limits and Modification of Statutory Conditions

Due to the vast expenditures of limited local resources on emergency response activities, and the endless and time-consuming demands of permanent recovery efforts, many of the most severely damaged local jurisdictions are unable to meet the performance deadlines and program requirements that were in effect prior to the earthquake. Local funding does not exist for the match requirements of pre-existing grant commitments, as a result of the extraordinary expenditures on earthquake emergencies and recovery needs. Therefore, the deadlines for local match grant requirements must be extended to allow additional time to restore adequate funding for payment of the match.

Similarly, the overwhelming demands on staff resources, and the immediate priorities dictated by widespread damages, do not allow sufficient time to fulfill normal pre-quake responsibilities. As a result, deadlines such as processing conventional land use permits and the preparation of long-term plans cannot be completed on schedule. Furthermore, changes in statutory requirements are also needed to allow for the speedy repair or replacement of earthquake damaged facilities, such as the ability to process emergency amendments to the Local Coastal Plan, in order to provide immediate temporary housing within the coastal zone.

Time limits for identifying damages and submitting applications for assistance must also be extended, to allow more time to detect further damages suffered from continued earth movements, and the need for more thorough damage assessments. The FEMA deadlines for the completion of permanent repairs must also be extended to provide additional time for the evaluation, design and construction of complex projects requiring alternative analysis and unusually demanding construction techniques.

The specific needs regarding time limits and statutory requirements are described for each jurisdiction in Section 14 of the report, Extension of Time Limits and Modification of Statutory Conditions.

In response to the early need for extended time limits and revised conditions in Santa Cruz County, AB 22X was introduced during the special legislative session shortly after the earthquake. Further action on AB 22X is pending, in anticipation of additional needs. Regrettably, no similar action has been taken to secure the necessary time extensions and waivers of Federal requirements.

Absent the approval of State and Federal extensions of time and the relaxing of statutory conditions, many of the local governments desolated by disaster will be unable to perform their mandatory essential duties within the allotted time and prescribed manner. Furthermore, without the addition of time and more responsive conditions critical to recovery, many of the ruins left by the quake will remain untouched for years on end.

Funding for Earthquake Related Geologic Studies

The devastation left in the wake of the Loma Prieta Earthquake has exposed a variety of areas extremely vulnerable to future seismic activity. Each of these locations is in desperate need of immediate geologic evaluation to determine the soil's ability to safely support existing and subsequent use. If left unattended, the unknown stability of an identified problem area poses ongoing serious threats to both lives and property, especially in already developed areas.

In addition to the obvious requirement to protect life and property, local governments also have the distinct responsibility for the administration of land use authority and the resulting liability which accompanies each decision. Properly conducted geologic studies cannot only avoid costly and time-consuming litigation, but most importantly, the unnecessary and wasteful loss of life and property. Clearly, none of the local communities rocked by the earthquake can afford either expense.

In total, over $4 million in geologic studies within a five County area are required as a result of the recent earthquake. The specific project needs for each area are described in Section 15 of the report, Funding for Earthquake Related Geologic Studies.

In response to an early need for an earthquake related geologic study in Santa Cruz County, SB 48X was introduced in the special legislative session following the October 17, 1989 earthquake. SB 48X is currently awaiting further consideration as part of the continued special session.

Sufficient State and Federal funding is needed to begin geologic studies as quickly as possible, of potentially severe seismic hazards in the Loma Prieta Earthquake disaster areas. Unfortunately, without the help of State and Federal funds, local governments bankrupted by disaster can ill afford the high costs of geologic studies, and in their absence, the costly loss of life, property and litigation.

Funding for Additional Unreimbursed Disaster Related Costs

Thus far, it is everyone's expectation that as a result of the recent passage of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, the percentage of Federal reimbursements will be greatly improved. Prior to the Stafford Act, however, Federal assistance averaged 40¢ on every dollar required for disaster recovery projects.

In large part, the Stafford Act amendments were intended to limit unreasonable discretionary judgments, by specifying in somewhat greater detail the types of activities eligible for Federal assistance. In addition, a key strengthening amendment requires that Federal participation shall not be less than 75% of the eligible costs.

Hopefully, the Federal share will be far closer to 75¢ on every dollar spent for disaster recovery, than the previously deplorable 40¢ on the dollar. At this time, however, it is too early to judge the exact impact that the Stafford Act amendments will have on the level of

Federal reimbursements.

The primary reason for not knowing the degree of improvement, or the full extent of the shortfall, is that the overwhelming majority of the Disaster Survey Reports submitted to FEMA for approval and reimbursement have not as yet been reviewed and confirmed for payment. In the past, the major cause of reduced reimbursements has been the FEMA practice of disallowing certain project costs which are an integral part of an otherwise eligible project. In addition, oftentimes, entire projects and activities which are essential for effective and meaningful disaster response and recovery are not eligible for any Federal reimbursement.

Nonetheless, the question still remains as to what will be the full extent of the reimbursement shortfall. Until each Disaster Survey Report is confirmed for payment, the jury remains out and the verdict unknown.

In addition to completing the review of Disaster Survey Reports, another critical factor that will determine the percentage of reimbursements to local governments is the amount of State and Federal funds appropriated for disaster assistance. Historically, the pattern has been that when the need far exceeds the available funds, the discretionary number of disallowed costs and ineligible activities increases. Obviously, one way to avoid the need for an additional budget appropriation is to reject claims for legitimate reimbursements based on discretionary criteria for disallowed costs. Therefore, if in fact, both the State and Federal budgets for the Loma Prieta Earthquake recovery are underfunded, as this report indicates, the volume of unreimbursed claims will rise dramatically, while the percentage share of reimbursements falls decisively.

To date, six Counties have reported additional unreimbursed costs in excess of $45 million. This amount includes only those disallowed project costs and other ineligible activities not included in any other section of this report, and is based solely on those unreimbursed costs known at this time, or reasonable estimates derived from extensive previous disaster experience. Nevertheless, it is instructive that many of the disallowed costs listed are very similar to previously discounted activities in prior disasters. The lack of adequate reimbursements known at this time are more fully described in Section 16 of the report, Funding for Additional Unreimbursed Disaster Related Costs.

The amount indicated thus far represents only a fraction of the yet to be determined unreimbursed costs, that will most likely result from additional FEMA and State disallowed project costs and other ineligible activities. Therefore, approximately two to three additional months are needed to more fully determine the degree to which the Federal reimbursements are less than the legally required 75% minimum share. Furthermore, until the Federal levels of reimbursement are confirmed, it is not possible to adequately judge the State's performance on the payment of the remaining 25% share. However, if the share of disaster assistance falls below the 75% Federal/25% State, local governments will have little recourse but to vigorously seek additional funding for the unfunded legitimate costs of earthquake response and recovery.

Conclusion

Past experience has proven that without adequate Federal and State assistance, local recovery efforts are at best stalled, and most often impossible to achieve. Regrettably, the CSAC Interim Report of the Loma Prieta Earthquake documents a $2.9 billion unmet need for additional State and Federal assistance. Absent full funding for these disaster related costs, dilapidated earthquake communities will be frozen in the wake of destruction with little hope for recovery.

SUMMARY OF UNMET NEEDS

(Known to Date)

TOTAL UNMET NEED = $2.9+ Billion

UNMET NEEDS	FUNDS REQUIRED
A. Funding for Emergency Shelter Programs	$46,336,800+
B. Funding for California Natural Disaster Assistance Programs	341,160,000+
C. Mortgage Credit Certificates Program Revisions	None To Date
D. Funding for Disaster Related Administrative Costs and Cash Flow Needs	
1. Unreimbursed Administrative Costs	20,434,000+
2. Cash Flow Needs	98,000,000+
E. Funding for Hazard Mitigation Projects	2,261,031,000+

Note: The total indicated includes the amount shown in Item F below, Earthquake and Fire Safety in Public Buildings Bond Measure. .

F.	Earthquake and Fire Safety in Public Buildings Bond Measure Note: The total indicated is included in the amount shown in Item E above, Funding for Hazard Mitigation Projects.	[1,986,480,000+]
G.	Funding Augmentation for Earthquake Related Social Services Programs	4,424,000+
H.	Funding for Economic Development Agency Sudden and Severe Economic Dislocation Grants	17,586,000+
I.	Reimbursement for Revenues Lost Due to Earthquake	28,619,000+
J.	Extension of Time Limits and Modifications of Statutory Conditions	None To Date
K.	Funding for Earthquake Related Geologic Studies	3,975,000+
L.	Funding for Additional Unreimbursed Disaster Related Costs Note: The amount indicated above represents only a fraction of the yet to be determined unreimbursed costs that will result from additional FEMA and State disallowed project costs and other ineligible activities.	44,792,500+
TOTAL UNMET NEED		**$2,866,358,300+**

SUMMARY OF STATE ACTIONS

A. Funding for Emergency Shelter Programs

1. Prior to April 1, 1990, seek sufficient funding through the California Department of Housing and Community Development, to provide for the unmet emergency shelter and temporary housing needs of low income earthquake victims in Alameda, San Francisco and Santa Cruz Counties, pursuant to the conditions of the class action lawsuit settlement agreement between low income earthquake victims and FEMA.

2. Seek additional State funding for the National Disaster Emergency Shelter Program (NDESP) to provide for the remaining unmet emergency shelter needs of earthquake victims in Alameda, Monterey, San Francisco and Santa Cruz Counties, which may not be provided for in the class action lawsuit settlement between low income earthquake victims and FEMA.

3. Revise the NDESP provisions to extend the length of time funding is available for emergency shelters, to allow sufficient time (18-60 months) to restore damaged housing for displaced earthquake victims.

4. Revise the NDESP provisions to allow Counties to enter into long-term (18-60 month) lease and/or purchase agreements with private owners of facilities needed for emergency shelters.

5. Revise the NDESP provisions to authorize funding for the expansion of shelter support services facilities at one location, in order to serve the unmet needs of increased populations at other decentralized emergency shelter locations.

6. Revise the NDESP provisions to allow the use of travel trailers, modular buildings, mobile homes and other portable units for emergency shelters in small group clusters or individual units, in response to unique local conditions such as rural mountain areas.

7. Clarify the NDESP provision to authorize funding for the operation of emergency shelter support services such as health and mental health care, public assistance eligibility, job placement and development, and permanent housing assistance, in a combined emergency shelter and multi-service center facility.

B. Funding for California Natural Disaster Assistance Programs

1. Seek additional State funding for the California Natural Disaster Assistance Programs in the Owner-Occupants (CALDAP-O) and Rental Properties (CALDAP-R) categories, to support the unmet needs of Alameda, Monterey, San Francisco, Santa Cruz, San Mateo and San Benito Counties.

Funding for California Natural Disaster Assistance Programs (Continued)

2. Revise the CALDAP-R and O provisions to allow the use of program funds in place of Small Business Administration or other loans, in circumstances where such loans would result in rent increases or excessive mortgage payments for low income residents.

3. Revise the CALDAP-R provisions to require the affordability of rental units for low income residents whenever CALDAP-R funds are used for reconstruction.

4. Revise the CALDAP-R and O provisions to allow owners the option of using program funds to rebuild destroyed buildings on replacement sites with less hazardous seismic conditions.

5. Revise the CALDAP-R administrative interpretation regarding the maximum loan or grant amount so that it is consistent with the language of the statute, which specifies that the maximum allowable loan or grant cannot exceed 100% of the combined costs of rehabilitation and refinancing of existing indebtedness, or of the rehabilitation and acquisition costs.

6. Revise the CALDAP-R provisions to allow program funds to be used by local public agencies or non-profit corporations for comprehensive rehabilitation programs of multiple structures or developments, to shorten the time required for rehabilitation or to reduce the overall project costs through simultaneous construction activities.

7. Revise the CALDAP provisions to allow the use of program funds to stimulate the construction of new low cost housing units built to current earthquake standards.

8. Revise the CALDAP-O provisions to allow grants instead of loans for low income seniors and occupants.

9. Revise the CALDAP-O and R provisions to provide for an appeals process for denied applications and denials of requests for increased levels of funding.

10. Revise the CALDAP provisions to provide local agencies with reasonable advances of funding for administrative costs.

C. Mortgage Credit Certificates Program Revisions

1. Revise the requirements of the Mortgage Credit Certificates Program to allow the submission of a project feasibility study in lieu of the required application fee and the program assurance deposit.

D. Funding for Disaster Related Administrative Costs and Cash Flow Needs

1. Seek State reimbursement for disaster related administrative costs which exceed Federal reimbursement levels.

2. Seek State no interest loan advances for disaster related cash flow needs.

E. Funding for Hazard Mitigation Projects

1. Seek State funding for the 50% local cost sharing requirements of the existing Federal Hazard Mitgation Grant Program.
2. Seek additional State funding for the remaining unmet hazard mitigation needs which exceed Federal funding for essential hazard mitigation projects.

F. Earthquake and Fire Safety in Public Buildings Bond Measure

1. Revise SB 1250 to provide sufficient State funding for earthquake and fire safety improvements for local government buildings.

G. Funding Augmentation for Earthquake Related Social Services Programs

1. Seek State funding for the unreimbursed extraordinary County costs incurred to date for earthquake related social services.
2. Seek State funding for the ongoing extraordinary County costs of providing social services for the unmet needs of earthquake victims.

H. Funding for Economic Development Agency Sudden and Severe Economic Dislocation Grants

1. Seek State funding for the 25% local match requirements of the U. S. Department of Commerce, Economic Development Administration, Title IX, Sudden and Severe Economic Dislocation Grant Program.
2. Seek additional State funding for the 25% local match requirements of the State level Sudden and Severe Economic Dislocation Grant Program administered by the California State Department of Commerce.

I. Reimbursement for Revenues Lost Due to Earthquake

1. Extend the provisions of SB 34X for reimbursement of subsequent years property tax revenues lost in FY 90/91 and beyond, due to continuing earthquake impacts.
2. Seek reimbursement for sales tax, transient occupancy tax, business, parking, transit, and other revenues lost due to earthquake impacts (possibly revise SB 30X).

J. Extension of Time Limits and Modification of Statutory Conditions

1. Revise Assemble Bill 22X (Farr) to incorporate the needs of Monterey and San Benito Counties, and several Cities within San Mateo County, in addition to the needs of Santa Cruz County.

K. Funding for Earthquake Related Geologic Studies

1. Revise Senate Bill 48X (Mello) to authorize sufficient State funding for additional earthquake related geologic studies in the Loma Prieta Earthquake disaster areas.

L. Funding for Additional Unreimbursed Disaster Related Costs

1. Seek State funding for unreimbursed project costs resulting from arbitrary FEMA discretionary judgments regarding project costs and other presumably ineligible earthquake related activities.

SUMMARY OF FEDERAL ACTIONS

A. Funding for Emergency Shelter Programs

1. Prior to March 15, 1990, seek revisions to the conditions of the class action lawsuit, preliminary settlement agreement, between low income earthquake victims and FEMA, to provide for a more reasonable time frame beyond July 15, 1990, for the proposed shelter facilities to be operational; and to also extend the twelve-month limit on funding for approved projects, to allow sufficient time for the reconstruction of permanent replacement shelters and other affordable housing units.

2. Prior to April 1, 1990, seek sufficient Federal funding from the FEMA Section 403 Essential Assistance (emergency mass care and shelter); and Section 408 Temporary Housing Assistance, to provide for the unmet shelter needs of low income earthquake victims in Alameda, San Francisco and Santa Cruz Counties, pursuant to the conditions of the class action lawsuit settlement agreement betweeen low income earthquake victims and FEMA.

3. Seek additional Federal funding for the remaining unmet emergency shelter and temporary housing needs of earthquake victims in Alameda, Monterey, San Francisco and Santa Cruz Counties, which may not be provided for in the class action lawsuit settlement between low income earthquake victims and FEMA.

4. Revise the FEMA provisions to extend the length of time funding is available for emergency shelter and temporary housing assistance, to allow sufficient time (18-60 months) to restore damaged housing units for displaced earthquake victims.

5. Revise the FEMA provisions to allow Counties to enter into long-term (18-60 month) lease and/or purchase agreements with private owners of facilities needed for emergency shelter and temporary housing.

6. Revise the FEMA mass care and emergency shelter provisions to authorize funding for the expansion of shelter support services facilities at one location, in order to serve the unmet needs of increased population at other decentralized emergency shelter locations.

7. Clarify the FEMA provisions to authorize funding for the operation of emergency shelter support services such as health and mental health care, public assistance eligibility, job placement and development, and permanent housing assistance, in a combined emergency shelter and multi-service center facility.

8. Revise the FEMA Temporary Housing Assistance provisions to allow the use of travel trailers, modular buildings, mobile homes and other portable units for temporary shelters in small group clusters or individual units, in response to unique local conditions such as rural mountain areas.

A. Funding for Emergency Shelter Programs (Cont'd)

9. Revise the FEMA Temporary Housing Assistance eligibility requirements to authorize assistance for displaced disaster victims residing in housing units for less than 30 days prior to a disaster, or who were living in a shared rental unit with one or more other unrelated individuals prior to a disaster.

B. Funding for California Natural Disaster Assistance Programs

1. None Required

C. Mortgage Credit Certificates Program Revisions

1. None Required

D. Funding for Disaster Related Administrative Costs and Cash Flow Needs

1. Seek an increase in the percentage of administrative costs allowable for Federal assistance.

2. Seek a clarification of Federal administrative policy to ensure timely payments for interim work prior to project completion.

3. Seek Federal advance payments for eligible project costs in lieu of reimbursements, to reduce the cash flow burdens on local jurisdictions.

E. Funding for Hazard Mitigation Projects

1. Seek an increase in the level of Federal Hazard Mitigation Grant Program funding for unmet hazard mitigation needs which exceed the program cap on Federal assistance.

F. Earthquake and Fire Safety in Public Buildings Bond Measure

1. None Required

G. Funding Augmentation for Earthquake Related Social Services Programs

1. Seek Federal reimbursement for the extraordinary County costs incurred to date for earthquake related social services.

2. Seek Federal funding for the ongoing extraordinary County costs of providing social services for the unmet needs of earthquake victims.

H. Funding for Economic Development Agency Sudden and Severe Economic Dislocation Grants

1. Seek a waiver of the 25% local match requirements of the U. S. Department of Commerce, Economic Development Administration, Title IX, Sudden and Severe Economic Dislocation Grant Program.
2. Seek an increase in the total amount of funds available for the U. S. Department of Commerce, Economic Development Administration, Title IX, Sudden and Severe Economic Dislocation Grant Program, sufficient to meet the project needs of the Loma Prieta Earthquake.
3. Seek an increase in the total amount of Federal funds provided for the State level Sudden and Severe Economic Dislocation Grant Program for California.
4. Oppose the elimination of the Economic Development Administration as recommended in the President's proposed FY91 budget reduction plan.

I. Reimbursement for Revenues Lost Due to Earthquake

1. None Required

J. Extension of Time Limits and Modification of Statutory Conditions

1. Seek an extension of the FEMA deadline for the identification of earthquake damages and request for Federal assistance, due to continuing and as yet undetermined damages.
2. Confirm the ability to secure 30-month extensions of the initial 18-month FEMA time limit for the completion of permanent repairs.
3. Seek an extension of the total 48-month FEMA time limit for the completion of major repair projects which also include extensive seismic retrofits and other similarly complex repairs.
4. Seek an extension of the FEMA time limits on the availability of Federal funds for emergency housing and shelter assistance.
5. Seek written confirmation of FEMA and State Office of Emergency Services approvals of the extensions and waivers of time limits requested.

K. Funding for Earthquake Related Geologic Studies

1. Seek Federal funding assistance for earthquake related geologic studies in the Loma Prieta Earthquake disaster areas.

L. Funding for Additional Unreimbursed Disaster Related Costs

1. Seek additional Federal funding for unreimbursed project costs resulting from arbitrary FEMA discretionary judgments regarding disallowed project costs and other presumably ineligible earthquake related activities.

POSITIONS WITHIN THE FEDERAL EMERGENCY MANAGEMENT AGENCY REMAINING VACANT OR UNCONFIRMED

POSITION	*ACTION*	*INCUMBENT/NOMINEE*
Director	Vacant	–
Deputy Director	Temporary Holdover	Robert H. Morris
Administrator–Federal Insurance Administration	Temporary Holdover	Harold T. Duryee
Administrator–U.S. Fire Administration	Nominated	Olin Green
Associate Director–External Affairs	Temporary Holdover	James P. McNeill
Associate Director–State and Local Programs	Temporary Holdover	Grant C. Peterson
Inspector General	Vacant	–

ADDITIONS TO THE RECORD

Office of the Mayor
San Francisco

ART AGNOS

May 11, 1990

RECEIVED
MAY 14 1990
[illegible] COMM

Honorable Glenn M. Anderson
Chairman, Committee on Public Works and Transportation
U.S. House of Representatives
Room 2165, Rayburn House Office Building
Washington, D.C. 20515

Attention: Mr. John Italiano, Editor
H2-586 House Annex II

Dear Congressman Anderson:

Mr. Chairman and distinguished members of this Committee, I am sorry I am unable to personally present testimony on the experiences of San Francisco following the Loma Prieta Earthquake. I appreciate the opportunity to address the Committee through this statement for the record on those experiences and lessons we have learned from the recovery which I hope will be of benefit to you.

On Tuesday, October 17, 1989 at 5:04 P.M. while the nation and international media attention was focused on the first game of the 1989 World Series at Candlestick Park with 62,000 fans in attendance, a 7.1 richter scale magnitude earthquake rocked a 400,000 square mile area of northern California. The epicenter was approximately sixty miles southeast of San Francisco. Now six months after that event our City in many respects has returned to normal. This could only have been accomplished through the overwhelming support and commitment from the Federal, State and local governments, the private and business communities, volunteer organizations, and the generosity of peoples from all over the world including the residents of San Francisco.

Where is San Francisco in the recovery today, what needs to be accomplished in the immediate timeframe and what are the long term recovery, preparedness and mitigation needs for saving lives, reducing injuries and preventing damage in future earthquakes. I will not address response and recovery program improvements under the recently enacted Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288) as this was the first Presidential Disaster Declaration for the City of San Francisco. I recognize it would serve no purpose and be counter productive to only be critical of the response. I will therefore discuss response weaknesses, problems encountered and possible solutions as well as inadequacies in present legislation, policies, regulations and their implementation.

200 CITY HALL, SAN FRANCISCO, CALIFORNIA 94102
(415) 554-6141

I.

Every section of our country is vulnerable to one or more types of natural disasters. Hurricanes in the east and southeast; tornados and flooding in the midwest and central states; droughts and snowstorms in the north central; and, earthquakes and coastal wind storms in the west. As we become more populated our vulnerability for loss of life, injury, property damage and destruction through these periodic natural disasters increases. The Federal Emergency Management Agency (FEMA) was established in 1979. In addition to preparedness for natural and technological disaster situations, the Agency has been mandated by Congress responsibilities for civil emergency preparedness for nuclear attack, continuity of government, and the mobilization of resources during national security emergencies. During the past decade a major portion of the focus and administrative costs of FEMA has been on program preparedness activities for the war type of emergencies. Recent international events and those in eastern Europe are influencing a lower emphasis on civil defense activities in this country. In recognition of these events and the increasing threat of natural disasters upon population and property, it is timely for Congress to evaluate the governments commitment to the mission of natural and technological hazard preparedness and recovery programs in the United States.

The October earthquake was the largest disaster in California since the 1906 earthquake. It also proved to be a major challenge for FEMA as it added greatly to the recovery demands upon an Agency which was already heavily involved in responding to the aftermath of Hurricane Hugo in the eastern United States, Puerto Rico and the Caribbean. Both responses were under the recently enacted Stafford Act. The Loma Prieta Earthquake response created the need for a large recruitment of new personnel, with little time for training, and major quick decision making expertise. The guidelines were interim regulations. In the immediate hours following the earthquake San Francisco City employees responded, search and rescue operations were underway, local volunteers were active, governmental responders activated and mass shelters were established and in operation. A Presidential Disaster Declaration was made within 24 hours followed four days later by the opening of the Disaster Assistance Centers (DACS).

For the most part the Federal and State response organizations performed well. The large number of different federal agencies and personnel, many inexperienced, required for implementation of the established system for assistance to the victims was a major problem for both Individual and Public Assistance Program applicants. For example, under the individual assistance, an applicant had several "800" telephone numbers available; in applying at a DAC there was the Red Cross for emergency household needs and shelter, FEMA for temporary housing, Cora Brown program housing needs, Small Business Administration for loans, and the State for individual and family grant assistance. In addition, there were papers to fill out for verification and documentation, and appointments to establish damage assessments by FEMA inspectors and possibly other inspectors for SBA, and the possibility for other State housing assistance; all this, just for housing assistance.

FEMA established a policy which required applicants to have been in residence in the damaged housing unit a minimum of thirty days at the time of the earthquake in order to qualify for temporary housing assistance. This created much confusion, discouragement and in some instances a problem in providing the necessary documentation. This was especially a problem for the "homeless" victims who frequently reside for various reasons in housing for short durations of time. It was felt by many individuals and community leaders that the intent of Congress was to provide temporary housing assistance to disaster victims regardless of the length of time of occupancy in the damaged structure prior to the event. A law suit was filed and FEMA is now giving consideration as to how to implement the decision of the Court.

With further regard to temporary housing assistance, the Stafford Act provides in situations where there is inadequate available temporary housing resources for victims, for the community to be provided by FEMA with created resources such as mobile homes or other suitable modular constructed homes. If the housing supply continues to be inadequate in number after the maximum eighteen month temporary housing assistance time has expired, such created resources can be utilized and sold to the victims at prices adjusted to the affordable means of the victims as permanent housing. A determination was made that such created resources were not needed in San Francisco, where market rents have been established at an average cost of $900 per month. Not only has this decision exacerbated an already existing critical housing situation, it also eliminates a resource solution for permanent housing.

A critical soil stabilization problem exists affecting many homeowners in the Marina, South of Market and Eight Avenue sections of the City. Neither FEMA nor SBA have existing programs which will address the needs of these homeowners. A request has been made to FEMA to provide funding for this critical need through the Presidents Discretionary Fund.

Public assistance applicants were confused by the different federal and state agency roles, application procedures, required documentation, distinction of different eligible costs and criteria, funding processes, reporting requirements, contact persons, distinction between eligible damage assessment and life and safety measures, and the administrative cost definitions and formula. One of the major problem areas is that of estimates of damage for scope of work, which was determined by the local estimators to be extremely low and unrealistic. It has taken many weeks and months to work through this confusion at great expense of time and energy.

Some problems have been magnified by government agencies having to hire temporary employees to staff up in times of a major emergency. Most of the employees were dedicated and tried very hard to meet their responsibilities, however, little training and constant rotation of staff resulted in significant loss of efficiency and effectiveness. A lack of routine basic rules, regulations, guidelines, along with staff turnover, results in responses which are inconsistent. During the immediate time after the earthquake, the requirement for going through various State and then Federal levels of governments to obtain critical simple support needs is unnecessarily cumbersome and frustrating. For example, the need to obtain flashlights and batteries from the Army, which is located right in the City and readily available.

Original overall federal and state damage assessment estimates for the City of San Francisco was $500,000,000. Today that figure has been reduced considerably lower to under $100,000,000. The various departments and agencies of the City are dealing with numerous different federal and state organizations many on very similar issues. For example the Department of Education brought out teams of damage assessment inspectors from Washington, D.C. to assess the damage to school buildings, who then returned to Washington and six months later submitted repair estimates to the Unified School District which now have to be disputed. At the same time, FEMA has inspectors in the area already doing similar work and dealing also with Unified School District personnel. The latest total estimate on major structural damage by the City inspectors is $48,000,000 compared with $19,000,000 by FEMA estimators. This does not include some major building structural repairs or mitigation considerations as part of the work under the provisions of the Stafford Act.

The City has responded to the Stafford Act requirement for the development of a comprehensive mitigation program. The total cost of the work items is in excess of $600,000,000. To support our commitment to the mitigation effort, a measure has been placed on the June ballot in San Francisco for a bond issue in the amount of $300,000,000. A similar ballot measure by the State of California will be voted on in June. The State and Federal Hazard Mitigation Survey Team Report has been prepared for the ten affected counties and contains fifty-seven hazard mitigation "work element" recommendations. The expected amount of federal mitigation funds available for the entire state program based upon the ten percent limitation of the Federal Law is estimated at around $30,000,000, far less than the $600,000,000 need for San Francisco alone.

Section 108(d) of Public Law 101-130, passed by Joint Resolution of Congress after the earthquake allocates $3,000,000 through FEMA for earthquake preparedness. Criteria is set forth under the National Earthquake Hazards Reduction Program, in Federal Regulations 44 CFR, 10-1-89 Edition for such funding allocation. However, to date an allocation of these funds has not been made.

II.

The following are critical immediate needs for the continued recovery and preparedness efforts from the Loma Prieta Earthquake by our City.

With regard to housing assistance, the San Francisco Regional Office of HUD needs to act upon the recent allocation of 500 additional Section 8 vouchers and 620 Section 8 certificates; proceed with the allocation of additional Rental Rehabilitation and Section 312 Funds; provide 664 units of Section 8 moderate rehabilitation funds and give consideration to reprogram Community Development Block Grant funds as necessary. That Office should proceed with Section 8 moderate rehabilitation for single room occupancy dwellings for homeless individuals, and the offer of full insurance for single room occupancy facilities under 221d(3) and 221d(4) insurance programs.

The Cora Brown Fund is to assist persons with disaster related needs that have not or will not be met by regular government agency or other organization programs. To date there have been no funds provided to victims of the disaster from this program.

The City and FEMA should move ahead in the replacement of single occupancy units lost due to the earthquake in accordance with the provisions of the litigation agreements. The Presidents Discretionary Fund must be utilized expeditiously to resolve the soil stabilization problems in the Marina, South of Market and Eighth Avenue locations and return the residents to their homes.

Recognizing that shelter alone is not sufficient to meet the needs of the homeless population, supportive social services funding through the Department of Health and Human Services (HHS) must be made available as addressed in the January 1990 Memorandum of Understanding between HUD and HHS. This has been recognized in President Bush's HOPE Proposals.

The current $100,000 loan limitation by the Small Business Administration for homeowners who have sustained damage from the earthquake is unrealistically low for San Francisco where the average cost of a single family home is over $250,000. Similar adjustments in the loan limit by geographic market areas should be made as the temporary housing assistance program does in establishing average rentals in line with the locality. Similar considerations should be given to adjust the $500,000 small business loan limitation.

With regard to Public Assistance FEMA must address the critical financial situation that will occur as the major recovery repair projects are placed out for bid. Without sufficient funding available at the initiation of the work projects we will be unable to proceed with the contracted work. Existing regulation concerning reimbursement places an extreme burden and hardship on public agencies which experienced damage to major facilities. A provision for cash advancements of grants with some percentage retention would be helpful. The $36,400 limit for small projects is too low and should be increased to provide for more realistic action. The administrative allowance for identifying damage accompanying FEMA inspectors, and negotiating reimbursement is totally inadequate. The allowance should be set at a firm number instead of a sliding scale (3% would be the appropriate number). It should be recognized that earthquake's are a lot different than floods in that damage will be found long after and will be magnified by aftershocks. While we recognize that some time limit is needed, the six months that was identified after the October 17, 1989 earthquake was not realistic. It should have been extended at least to nine months, if not a year.

The inclusion of mitigation work as part of the repairs to major structures as City Hall and Pier 45, must be approved and expedited. In addition, the mitigation plan for the City should be acted upon as soon as possible.

The recent report prepared by the County Supervisors Association of California titled "Loma Prieta Earthquake Unmet Needs Action Plan" documents an additional $2.9 billion need for the ten affected counties directly related to the earthquake. The magnitude of the problem to comprehensively address economic recovery of the disaster area makes it crucial that a Recovery Planning Council be appointed and funding under Title V of the Disaster Relief Act, Public Law 93-288, Economic Recovery for Disaster Areas be provided to address the economic recovery of the area.

The allocation of $3,000,000 from the Presidents Discretionary Fund for emergency preparedness must be forthcoming soon from FEMA to address our immediate emergency operations facility and equipment needs, and begin implementation of the public education program, updating of preparedness plans, and develop exercise activities.

III.

The following recommendations are made to address the future longterm earthquake preparedness program.

-- A National Earthquake Preparedness and Recovery Advisory Board be established by FEMA to assess the recent recovery and address future needs for earthquake preparedness especially in California and the central states new Madrid Fault areas. This Board should be composed of all levels of government, business, industry volunteer organizations, and private citizen representatives.

-- Congress should review indepth the national emergency preparedness and recovery assistance programs including the administrative costs of operation and take whatever action is deemed essential to assure a comprehensive earthquake preparedness program for the Nation.

-- Serious exploration should be given to streamlining the emergency response through direct grants to public entities similar to the Clean Water Act Program with the federal response in a supportive and guidance role. Guideline considerations could be developed which are related to the magnitude of the disaster through the preliminary disaster damage estimates. The disaster would be categorized by these estimates assistance provided with various options of FEMA and related to the demonstrated preparedness capability of the state and localities requesting assistance. There must be more program administrative flexibility at the lowest level of government.

-- There should be established a National Earthquake Insurance Program similar to the National Flood Insurance Program under FEMA. This was originally addressed in the Earthquake Hazards Reduction Act of 1977.

I hope these comments and recommendations will be of assistance to your Committee in addressing the earthquake and other natural hazard needs of our Nation.

Thank you.

Sincerely,

ART AGNOS
MAYOR

AA/JS